

# **An Asset Management Strategy for Northern Ireland Housing Executive – Tower Blocks**

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**Prepared with support from:**



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# 1. Introduction and Context

- 1.1 This strategy forms an integral part of the overall Landlord Asset Management Strategy developed in 2015 for the whole of NIHE's stock. This element of the strategy sets out more detailed information in relation to our Tower Blocks and sets out the key principles for taking an asset management approach specifically for these properties. The reasons for this separate approach are twofold:
- to respond to requests for a standalone Tower Block strategy by the Department for Social Development, and
  - because the outputs of the work on tower blocks arising from the Asset Management Commission are so notably different from the rest of the stock
- 1.2 As such it is not the intention to repeat the key elements of explanation contained within the main strategy but rather to set out the specific and challenging issues which have been brought into clear focus by the work of the Asset Management Commission.
- 1.3 The Tower Block housing stock comprises 32 blocks with 1,912 individual properties, of which 1,629 are tenanted, 8 are used for other purposes such as caretakers offices, and 275 are sold leasehold units. The locations of blocks are shown on the map at Appendix 1.
- 1.4 The blocks are predominantly located in Belfast and surrounding areas with the exception of one block in Larne. Although there are 32 blocks in total these are grouped into recognised housing estates. For the purposes of this strategy information is provided individually for each block but these form part of groupings as set out below and used throughout on a consistent basis:

**Table 1: Locations and scale of Tower Block Estates**

	<b>Blocks</b>	<b>No of Blocks</b>	<b>Total Stock</b>	<b>Location</b>
1	Carlisle	7 Blocks	384	North Belfast
2	Dales & Moynes	5 Blocks	280	Dunmurry
3	Rathcoole	4 Blocks	246	Newtownabbey
4	Cregagh	3 Blocks	160	East Belfast
5	Mount Vernon	2 Blocks	138	North Belfast
6	Finaghy	2 Blocks	112	South Belfast
7	Rushpark	2 Blocks	112	Newtownabbey
8	Belvoir	2 Blocks	112	South Belfast
9	Divis	Stand Alone Block	93	West Belfast
10	Latharna	Stand Alone Block	90	Larne
11	Carnet	Stand Alone Block	72	East Belfast
12	Clarawood	Stand Alone Block	57	East Belfast
13	Whincroft	Stand Alone Block	56	East Belfast
	<b>Total</b>	<b>32 Blocks</b>	<b>1912</b>	

- 1.5 As we have done with the rest of our stock in preparing our new Asset Management Strategy, we have collected data on income and expenditure associated with the blocks projected over the next thirty years and have discounted the resultant cash flows back to a value in today's terms to produce a net present value (NPV) for each block. This NPV is a measure of the worth of each block's cash flows to our long term financial plan, and is in effect a measure of 'financial performance'.
- 1.6 Although the Tower Blocks represent only 1.9% of our total housing stock they account for some 32% of the overall negative NPVs within the stock (i.e. there are some 38,000 properties with an overall negative financial contribution of -£293million, of which -£93million comes from Tower Blocks alone). For the purposes of Asset Performance Evaluation (APE) the entire stock was split into 509 separate asset groups in order to create a sufficiently detailed picture on which to base decisions; when the financial results of these 509 groups are set out in order of the most expensive to the least expensive the Tower Blocks occupy 32 of the top 33 places.
- 1.7 These figures indicate a seriously disproportionate and detrimental impact on the long term finances of the landlord
- 1.8 The Asset Performance Evaluation is explained in more detail in Chapter 4 but the very poor results for the Tower Blocks arise in general because:
- The Tower Blocks are the most expensive type of stock to improve
  - They are the most expensive type to manage
  - They incur above average repairs costs
  - Their rents are among the lowest of any category of stock
  - They have higher than average void rates
- 1.9 The costs of investment identified by the Stock Condition Survey for the blocks average £63,388 per unit (excluding ongoing repair and maintenance costs). In addition there are issues of demand and substantial under-occupation of many flats.
- 1.10 Taken together all of these factors result in a particular picture emerging and raise fundamental questions about the long term viability of the blocks in terms of making a valuable contribution to the long term social housing requirements of Northern Ireland. This therefore requires that this element of our stock is considered in isolation in terms of identifying a way forward.
- 1.11 The remainder of this strategy sets out the detailed information which contributes to this overall picture and examines approaches which might be taken to address these issues in the context of adopting an active asset management strategy.

## 2. Demand and Sustainability

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### Current Housing Demand

- 2.1 Taken as a portfolio, the level of housing demand for the Tower Blocks is lower than that for more traditional housing forms such as houses, bungalows and low rise flats.
- 2.2 The actual level of demand for each of the tower blocks/groups is difficult to quantify and track as only two of the complexes - Carlisle and Mount Vernon - have their own specific waiting lists on the Common Selection Scheme. Therefore, our Area Managers were asked to provide a brief profile of the trends in turnover, allocations, voids and associated issues in each of the blocks in their areas in order to inform a more detailed analysis.
- 2.3 The information gathered from this exercise demonstrates that the levels of tenancy turnover, housing demand and popularity of each of the Housing Executive's Tower Blocks (or group of blocks) varies significantly and is a function of the interplay between a number of issues.
- 2.4 The main driver is the level and type of social housing need in the area in which each block or group of blocks is located. As a general rule tower blocks in areas of high housing stress where there is low turnover in traditional housing - such as Lower Falls, New Lodge or Belvoir and Cregagh - will be in demand, if only because there are few other housing opportunities in the area.
- 2.5 Conversely the general lack of social housing need in a location can have a severe impact on tower blocks and call into question their future viability, illustrated by the Housing Executive's previous demolition of two out of three blocks in the Riverdale complex in Larne.
- 2.6 However, there are a number of other issues that will affect the blocks' popularity, as the existence of blocks experiencing low demand in otherwise high demand estates demonstrates. These issues include:
  - The physical condition of each block.
  - The level of and reputation of some blocks for anti-social behaviour and lifestyle clashes associated with transient tenancies.
  - The proportion of sold flats in a block (albeit the impact will likely vary depending on the ratio of owner-occupation versus private renting).
- 2.7 Consequently there is a considerable variation in demand for the blocks ranging from the very high demand for Divis Tower to the very low demand for Kilbroney House which, although situated in a popular estate, has letting difficulties because of its poor condition and reputation for anti-social behaviour.
- 2.8 Regardless of demand, there are some issues that are relatively consistent across most of the tower blocks. The first is a high level of under-occupation; the housing mix across the blocks is heavily skewed towards 4-person 2-bedroom dwellings but most housing demand comes from small households. Many of the flats are occupied by single persons (the general paucity of demand for tower block accommodation by families is conventionally attributed to the lack of a tradition of high rise living in Northern Ireland and the desire for conventional housing forms). In part this is also the result of policy decisions to stop allocations to families in some blocks.
- 2.9 The second issue is the unpopularity of bedsit accommodation, which generally takes longer to re-let than flats, even in those blocks in higher demand from applicants. The incidence of

bedsit accommodation and levels of anti-social behaviour combine in some areas to represent barriers to letting.

- 2.10 The introduction of Welfare Reform would likely have significant implications for the tower blocks, but it is difficult to be definitive on what these would be at this time. Given the current high proportions of under-occupation across the flats, and the tendency towards single person applicants for them, the results of the 'bedroom tax' may be declining demand and considerably reduced rental income (as voids increase and tenants are unable to make up the loss of previous Housing Benefit entitlements). However, it may also be the case that households who are under-occupying, for example, three-bedroom houses, could be inclined to seek the smaller accommodation in the tower blocks.

## **Sustainability**

- 2.11 Over the years we have introduced a number of management initiatives to promote sustainability in many of the blocks. These include:

- The designation of some blocks for housing particular household types or age groups; for example, local lettings policies are in place for a number of the blocks restricting allocations to those aged over 35 only.
- The provision of enhanced security infrastructure including perimeter fencing with controlled access, CCTV, and concierge services. The latter have been introduced for sixteen of the blocks and there is evidence from an analysis of recent voids history that this initiative has achieved the objective of reducing turnover and increasing demand.

## **Tenant Satisfaction**

- 2.12 We have not carried out a full programme of satisfaction surveys across the whole portfolio. However, surveys have been carried out for several blocks including the Carlisle and Mount Vernon blocks. The key messages from these surveys include:

- There is a high level of under-occupation in the blocks.
- There are large numbers of working age small households on benefits, leading to a very high risk of income loss as a result of Welfare Reform.
- There is a high level of residents with a long term health problem or disability (64%).
- The most common reasons for staying in the blocks were because people had always lived there, liked the area, had family connections in the area, and because of the security
- There are high levels of dissatisfaction with various aspects of the heating system (type, cost, efficiency, control), with major concerns focussed on heating and inadequate insulation giving rise to damp and condensation
- While there were varying levels of satisfaction with homes, common shared areas and the general image of the block (from 65% - 85%) people were very happy with concierge services. The main reasons for dissatisfaction were parking and cleanliness.
- People's views were mixed on whether the block was changing for the better, not really changing, or getting worse, with security being cited as a reason for improvement, and anti-social behaviour and poor door locks as reasons for things getting worse. While the introduction of concierge was cited in some blocks as a reason for improvement, in others

less than half of respondents reported being satisfied with the concierge service, with discontent about visitors being unable to get through gates/doors and key fob systems not working.

- Less than a third of residents were keen to be more involved in the running of their block, although most were keen to continue involvement through responding to surveys.

2.13 In summary, these results show several key issues that need to be considered in any analysis of future strategy for the blocks including

- Very high levels of under-occupation
- High levels of dissatisfaction with insulation and heating
- Mixed views on whether things were getting better or not, often linked to issues of security and the operation of the entry systems and concierge service.

## Common Themes

2.14 There are common themes associated with Tower Blocks across the UK. Typically the accommodation is relatively unpopular compared with other forms of social housing and the costs of management and maintenance are higher than for other stock owned by the same landlord.

2.15 Landlords have adopted various strategies in the management of these blocks across the UK during the last thirty years but most maintenance strategies have fallen into the following two categories:

- Maintain the blocks in their existing form, carrying out frequent inspections and repairs as and when required. Inevitably the extent of repairs has increased as the blocks get older and deteriorate.
- Over-cladding of the blocks (having carried out any necessary repairs first) in order to protect the fabric of the block, improve the appearance and greatly improve the thermal performance. Various forms of over cladding have been adopted and, in the main, they have been successful. This is an expensive option and has not been considered viable in some cases, especially when other factors have been taken into account such as demand and cost in use.
- Two different approaches have been adopted to the delivery of over-cladding. The back-ventilated rain screen cladding systems are a common form of cladding adopted for high rise buildings. They are expected to provide life expectancies of thirty years although will probably give a life span of approaching forty years. If the panels need to be replaced this can be done so whilst re-using the cladding rails which should have a far longer life. The alternative approach involves the installation of external wall insulation (EWI) together with a rendered finish and is potentially a more cost effective option.

2.16 Other solutions have included

- demolition of blocks in areas of low social housing demand
- redevelopment with alternative forms of housing, recreating street patterns and introducing a mix of tenures

- refurbishment and tenure conversion of blocks in high value areas to provide market sale and market rented accommodation.
- Construction of new mixed use and mixed tenure blocks



### 3. Portfolio Summary

- 3.1 Our tower blocks date from the 1960s when they were constructed to facilitate the slum clearance programmes and increase the provision of modern housing.
- 3.2 The portfolio comprises 32 blocks consisting of 1,912 individual housing units. Table 2 below shows the geographical location of the blocks and the breakdown in ownership. Approximately 14% of homes have been sold, although the proportion of leaseholder ownership varies significantly across different blocks. The 1,629 flats available for tenants to rent plus 8 other units used as caretaker offices etc represent 1.9% of our total housing stock. Twenty of the flats in Grainne House are currently used as temporary homeless hostel accommodation.

**Table 2: Stock of tower blocks by NIHE Area Office, estate and tenure**

Area	Estate	Block	Total stock	Leasehold Units	% sold	%age Sold in Group
Lisburn & Castlereagh	Belvoir	BELVOIR	56	4	7%	
		BREDA	56	1	2%	4.5%
Lisburn & Castlereagh	Seymour Hill/Conway	COOLMOYNE	56	13	23%	
		FERNDALE	56	29	52%	
		PARKDALE	56	26	46%	
		RATHMOYNE	56	18	32%	
		RIVERDALE	56	13	23%	35.3%
Lisburn & Castlereagh	Braniel	WHINCROFT	56	1	2%	1.8%
Lisburn & Castlereagh	Cregagh	WILLOWBROOK	44	4	9%	
		WOODSTOCK	44	3	7%	
		KILBRONEY	72	0	0%	4.4%
North Belfast	Carlisle	CUCHULAINN	50	0	0%	
		EITHNE	50	1	2%	
		FIANNA	50	0	0%	
		FINN	50	1	2%	
		GRAINNE	84	0	0%	
		MAEVE	50	0	0%	
		OISIN	50	0	0%	0.5%
North Belfast	Mount Vernon	MOUNT VERNON	63	1	2%	
		ROSS	75	0	0%	0.7%
South & East Belfast	Finaghy	MOVEEN	56	19	34%	
		MOYLENA	56	11	20%	26.8%
South & East Belfast	Clarawood	CLARAWOOD	57	1	2%	1.8%
South & East Belfast	Ardcarn	CARNET	72	14	19%	19.4%
West Belfast	Lower Falls/Divis	DIVIS	93	2	2%	2.2%
East	Larne town centre	LATHARNA	90	2	2%	2.2%
South Antrim	Rathcoole	ABBOTSCOOLE	58	17	29%	
		CARNCOOLE	58	9	16%	
		GLENCOOLE	58	1	2%	
		MONKSCOOLE	72	4	6%	12.6%
South Antrim	Rushpark	BEECHWOOD	56	39	70%	
		WOODLAND	56	41	73%	71.4%
<b>Total</b>			<b>1912</b>	<b>275</b>	<b>14%</b>	<b>14.4%</b>

- 3.3 The majority of the stock consists of 2-bedroom properties (82% of all units). Four blocks contain bedsit accommodation (Kilbroney, Carnet, Divis and Monkscoole) and four blocks contain 3-bedroom accommodation (Divis, Latharna, Abbotscoole and Carncoole). An analysis of the units is set out below.

**Table 3: NIHE ownership of tower blocks by number of bedrooms**

<b>Number of bedrooms</b>	<b>Number of stock</b>	<b>%age of Stock</b>
Bedsit	59	3.6%
1 bedroom	170	10.4%
2 bedrooms	1336	81.6%
3 bedrooms	72	4.4%
<b>Total</b>	<b>1637</b>	<b>100.0%</b>

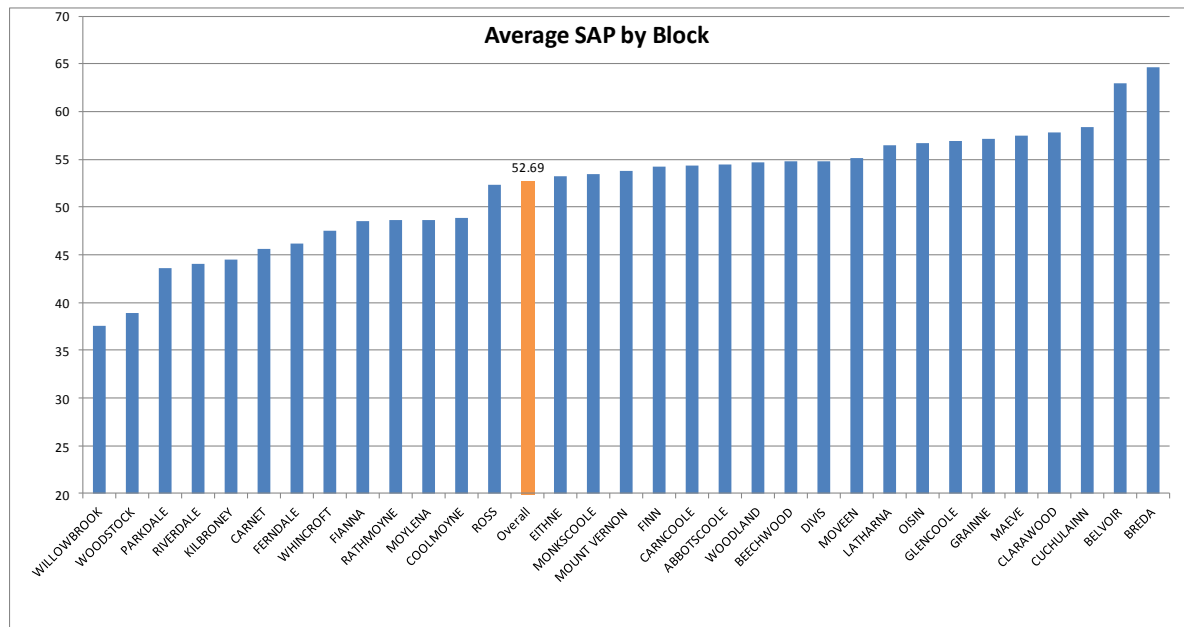
- 3.4 As noted in Chapter 2 there are varying levels of popularity and demand across the blocks. A summary of historic void levels is set out in detail in Appendix 2 which shows an average 7.14% annual rent days lost from voids over the last 3 years. This is five times the void rate reported for the stock as a whole.
- 3.5 Historic performance across the different blocks and estates has been reviewed and considered alongside an analysis of current demand in order to arrive at a reasonable projection for void loss going forward. This projection forms part of the overall calculation of future financial performance.
- 3.6 A number of adjustments have been made and the detail and justification for these are also set out in Appendix 2. Following these adjustments, future rent lost from voids is assumed to average just under 5%.
- 3.7 All Tower Blocks benefit from caretaker services. Enhanced concierge-level services have been introduced in 16 blocks in an effort to improve desirability of the accommodation through increased security.

## **Stock Condition Survey**

- 3.8 As part of its Asset Management Commission Savills carried out a survey of the 32 blocks which included a structural inspection, an assessment of mechanical and electrical installations and a condition survey of the flats' internal elements (i.e. kitchens, bathrooms, heating etc).
- 3.9 In summary the survey found that the tower blocks are in reasonable condition. The structural form of the majority of the blocks is of cast in situ concrete frames, and these structures have generally been maintained in their existing form with repairs carried out as and when required. The assessment of mechanical and electrical installations found that while many had benefitted from recent refurbishment and extensions, in others they largely comprised original infrastructure and plant. The condition of the flats' internal components varies on a block by block basis depending on patterns of historic investment.
- 3.10 A particularly significant issue with the tower blocks is their poor thermal insulation qualities in comparison to traditionally built stock, which makes them very expensive to heat for tenants. Savills' survey included a review of energy efficiency across the Tower Block portfolio, as

measured by SAP ratings. The thermal efficiency of each block is shown in Figure 1 below (based on average SAP scores from a sample survey).

**Figure 1: Average SAP by block**



- 3.11 In general the SAP ratings for the Tower Blocks are lower than the overall average for the stock which is just over 57. The exceptions are the two Belvoir blocks with SAP ratings of between 63 and 65, largely due to the installation of gas heating in these blocks. The nature of construction makes it difficult and expensive to improve the thermal quality of the blocks.
- 3.12 The sustainability analysis has provided an indication of the likelihood of fuel poverty in the blocks, measured by a combination of SAP and income deprivation. This ranks the blocks on a scale of 1 to 10 for risk of fuel poverty, with a low score representing the poorest performance (i.e. a high risk of fuel poverty). The details are set out in the table in Appendix 3.

## Investment Standards

- 3.13 Costs have been prepared on the basis of the two investment standards described in the Asset Management Strategy, i.e. the Tenantable Repair Standard (TRS) and the (higher) Commonly Adopted Standard (CAS).
- 3.14 The TRS assumes ongoing repairs to the blocks' external structure, while the CAS assumes the installation of over-cladding. The over-cladding solution would enhance the thermal performance of the blocks, reduce heating costs and help address fuel poverty, in addition to providing aesthetic benefits and minimising the need for ongoing external maintenance over the life of the buildings.
- 3.15 The costs also allow for required M&E work, the replacement of flats' internal components, cyclical painting, maintenance and sundry works.

## Cost Profiles: Investment Programme

3.16 The costs relating to the minimum structural repair option (TRS) and the over-cladding option (CAS) are illustrated in Tables 4a and 4b below. In each case the costs make no assumptions about any internal remodelling, major environmental improvements or the provision of a concierge service in blocks where it does not already exist, and are exclusive of management fees and VAT. M&E and structural costs include costs to both NIHE and leasehold properties.

**Table 4a: Total future investment, without over-cladding (Tenantable Repair Standard)**

All Tower Block Costs	Yrs 1 to 5	Yrs 6 to 10	Yrs 11 to 15	Yrs 16 to 20	Yrs 21 to 25	Yrs 26 to 30	Total
Stock Condition Survey Costs	£21,156,750	£3,287,056	£6,324,668	£6,221,896	£5,259,550	£3,398,224	<b>£45,648,144</b>
Mechanical and Electrical	£1,979,000	£3,576,900	£1,563,500	£2,502,800	£2,407,500	£1,536,300	<b>£13,566,000</b>
Structural Costs (repair)	£5,015,860	£5,075,005	£120,715	£93,000	£4,443,575	£4,175,005	<b>£18,923,160</b>
Painting	£1,841,250	£1,221,750	£1,221,750	£1,221,750	£1,221,750	£1,221,750	<b>£7,950,000</b>
Sundry Costs, inc Asbestos	£458,948	£232,877	£186,301	£186,301	£186,301	£186,301	<b>£1,437,029</b>
<b>Total</b>	<b>£30,451,808</b>	<b>£13,393,588</b>	<b>£9,416,934</b>	<b>£10,225,747</b>	<b>£13,518,676</b>	<b>£10,517,580</b>	<b>£87,524,333</b>

**Table 4b: Total future investment, with over-cladding (Commonly Adopted Standard)**

All Tower Block Costs	Yrs 1 to 5	Yrs 6 to 10	Yrs 11 to 15	Yrs 16 to 20	Yrs 21 to 25	Yrs 26 to 30	Total
Stock Condition Survey Costs	£21,156,750	£3,287,056	£6,324,668	£6,221,896	£5,259,550	£3,398,224	<b>£45,648,144</b>
Mechanical and Electrical	£1,979,000	£3,576,900	£1,563,500	£2,502,800	£2,407,500	£1,536,300	<b>£13,566,000</b>
Structural Costs (over-cladding)	£35,390,335	£0	£1,078,405	£0	£1,078,405	£0	<b>£37,547,145</b>
Painting	£1,841,250	£1,221,750	£1,221,750	£1,221,750	£1,221,750	£1,221,750	<b>£7,950,000</b>
Sundry Costs, inc Asbestos	£458,948	£232,877	£186,301	£186,301	£186,301	£186,301	<b>£1,437,029</b>
<b>Total</b>	<b>£60,826,283</b>	<b>£8,318,583</b>	<b>£10,374,624</b>	<b>£10,132,747</b>	<b>£10,153,506</b>	<b>£6,342,575</b>	<b>£106,148,318</b>

3.17 These figures demonstrate that the significant investment requirements of the tower blocks will be a disproportionate drain on available resources, with the average unit cost of overall capital requirements being £63,388 as compared to £49,300 across our stock as a whole.

## 4. Asset Performance Evaluation

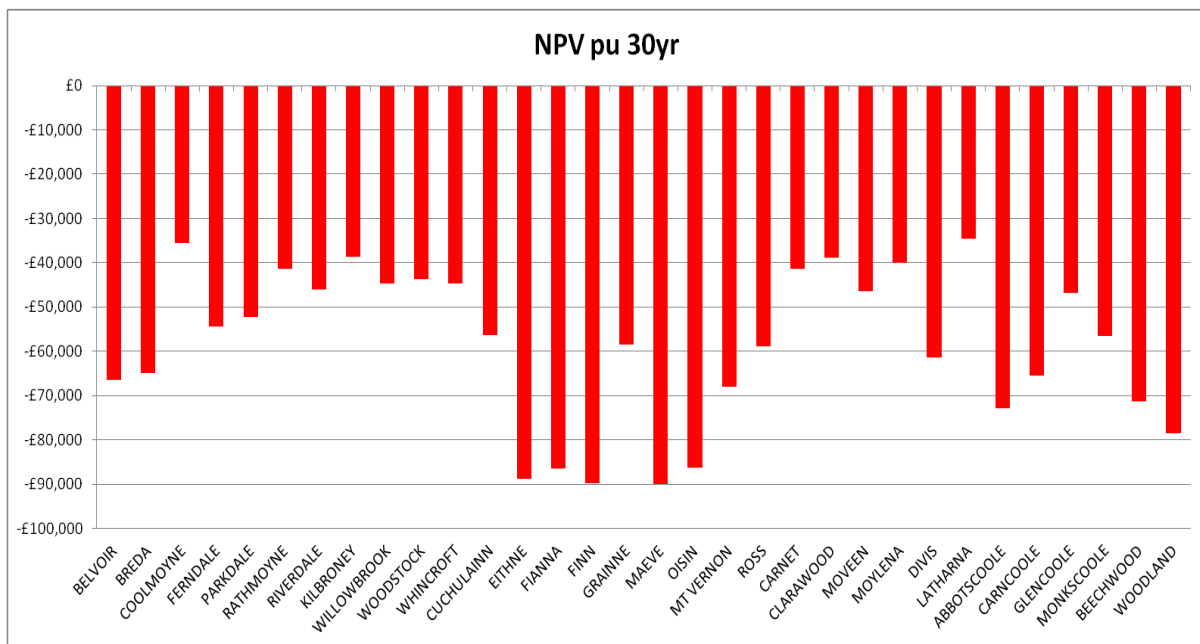
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- 4.1 The Asset Performance Evaluation modelling is intended to inform an investment strategy based on an active asset management approach where we make investment decisions that are informed by an understanding of the financial performance of the stock and the extent to which it delivers wider social housing objectives.
- 4.2 The evaluation of the performance of the stock has therefore included a financial evaluation - based on income and expenditure associated with the assets - combined with non-financial measures of broader neighbourhood sustainability measured against our key Landlord objectives of Quality Services, Better Homes and Vibrant Communities.
- 4.3 From this it is possible to identify the stronger and weaker performing assets to inform a future asset management strategy for the portfolio. The results of this modelling need to be considered in the context of the broader Asset Management Strategy for all of our stock.

### **Analysis of Financial performance**

- 4.4 The evaluation of financial performance has been undertaken by calculating the net present value (NPV) of the projected 30 year income and expenditure relating to each of the blocks. This provides an assessment of the worth of the cash flows to the overall business plan.
- 4.5 The analysis is based on data from the results of the stock condition survey carried out by Savills and from our current budgets (we have worked closely with Savills to extract information from current housing management systems and budgets and to agree its treatment in the model). This data therefore includes income from rents and service charges, rent lost from voids, the costs of day-to-day management and maintenance, and the future investment needs of the stock.
- 4.6 Two sets of NPVs have been calculated for the Tower Blocks based on the two investment standards described in Chapter 3 i.e. the structural repair option and the over-cladding option. Overall the tower blocks have a combined NPV of:
  - -£69.6m based on the structural repair option
  - -£93.5m based on the over-cladding option
- 4.7 The negative NPVs of the Tower Blocks have a disproportionate impact on the overall NPV of the entire stock's operating cash flows. Tower Blocks represent only 1.9% of total stock but their combined NPVs make up 32% of the overall negative NPVs. These negative values show that the high rise blocks would therefore require a very significant and ongoing subsidy from the broader business plan or elsewhere in order to fund the investment profile identified by the survey work.
- 4.8 The range of financial performance by block is illustrated in Figure 2 below:

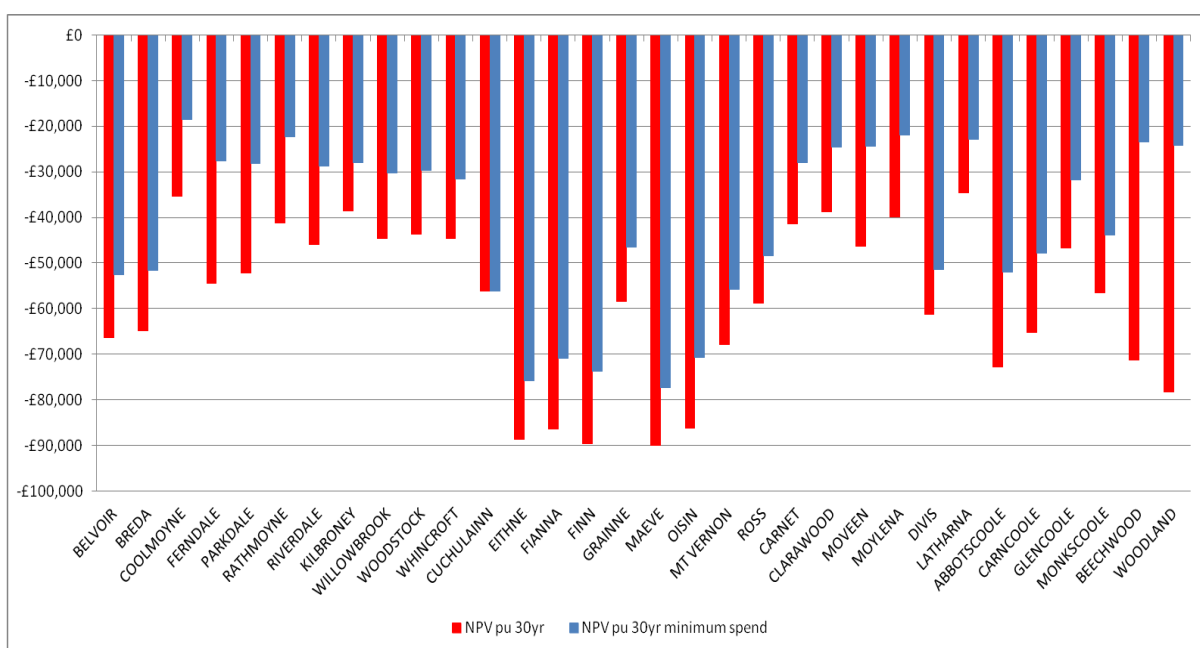
**Figure2: NPV per unit – Tower Blocks (over-cladding option)**



4.9 Although there is a range of financial performance across the portfolio, all of the tower blocks have a negative NPV. This ranges from just under -£90,000 per unit at Maeve, Eithne and Finn Houses to -£35,000 per unit at Latharna and Coolmoynne Houses. These figures compare to an average NPV per unit across our housing stock of +£128.

4.10 While the overall NPV of the blocks improves by nearly £24m to -£69.6m under the structural repair option, it should be noted that even in reducing the investment standard all Tower Blocks still show a negative NPV (as illustrated in Figure 3 below). Under this investment scenario the best financial performance is in Coolmoynne House at -£18,600 per unit compared with the worst performance at Maeve House at -£77,300 per unit.

**Figure 3: NPV per unit – Tower Blocks (structural repair and over-cladding options)**



4.11 The range of performance under the structural repair scenario illustrates the fact that even after reducing the future investment requirement other drivers of poor performance remain.

### **Key financial performance drivers**

4.12 The negative NPVs for the Tower Blocks are driven by a range of factors including:

- The high level of capital investment required under both standards
- Higher day-to-day maintenance expenditure related to the nature of this property type
- The high cost of concierge services being enjoyed by a relatively low number of units
- Relatively low rents compared to the rest of the stock
- No recovery of service costs from tenants, and under-recovery of service costs from leaseholders
- Assumptions made about loss of rental income from voids, due to ongoing issues of low demand in some blocks

4.13 It should be noted that the incidence, scale and impact of these drivers varies across the blocks.

4.14 The principal drivers of poor value are the level of future capital expenditure required and the costs associated with the concierge service in some blocks. The scale of required investment at the two standards has already been stated in Chapter 3. As regards concierge services, half of the blocks have this service and, while there is evidence from an analysis of recent void history that this initiative has achieved the objective of increasing demand, the considerable cost of maintaining concierge services and other related servicing requirements exceeds very substantially the level of rent and service charge income received. If management costs in those blocks with concierge services were able to be reduced to the level of caretaker service, their NPVs would improve in some cases by 50%, but all would still be negative.

4.15 The detrimental impact of these investment and management costs on NPVs is exacerbated by our ability to recover such costs from tenants and leaseholders. At present we do not recover service costs from tenants. Service charges are levied from leaseholders on a proportionate basis for general maintenance and repairs, insurance and other services; however, in regard to concierge services only 20% of the proportionate cost is charged.

4.16 With regard to investment costs, the financial modelling with respect to the structural repair option assumes that the costs of this type of work are recovered as such repairs are clearly chargeable under the flat sales lease. However, in the case of the over-cladding option, while the lease allows for a contribution to the costs of major improvement works to be sought by the Housing Executive from leaseholders, there is considerable uncertainty as to how effective levying such charges would be given affordability issues and the potential for successful legal challenge.

4.17 Total capital expenditure for the over-cladding option and mechanical and electrical works is estimated at £32.5m, of which £4.7m is assumed to be rechargeable to leaseholders. At this level, the average cost per leaseholder over the 30 year period would be over £17,000 (in today's prices), and inflation and administration fees would add to this cost burden. We have not previously had to charge this scale of costs to leaseholders, and we have evidence to support the view that many leaseholders were not fully aware of or ignore their liability with regard to planned scheme costs, and have not made adequate financial provision for it. In addition, there is no financial assistance available to leaseholders for payment of service charges. Given our experience of challenges to lower service charges, it is likely that there will be challenges by leaseholders to over-cladding schemes. The risk of the Housing Executive

not being able to recover the costs of major improvement works such as over-cladding requires to be assessed in the light of practical experience before this can be reflected in the modelling and the NPVs improved accordingly.

- 4.18 It is worth noting that the potential impact of under-occupation in the blocks and Housing Benefit changes under Welfare Reform - i.e. in possibly reducing tenants' ability to pay their rent - could further increase the negative NPVs.

### Analysis of Social Sustainability (Non-Financial performance)

- 4.19 Priority in terms of action will differ depending on whether poor financially performing stock is located within a relatively sustainable or unsustainable location.
- 4.20 The Social Sustainability modelling has used a range of external and internal data - covering measures around deprivation, satisfaction, housing demand and community engagement - to arrive at 'social sustainability' scores across our stock. The indicators and measures used are illustrated below.

**Table 5: Social sustainability indicators and weighting**

Measure	Indicator	Weighting
<b>Service impact on communities</b> 20% of Total	Welfare reform risk – under occupation	5%
	Welfare reform risk – rent arrears	5%
	Turnover	5%
	Resident satisfaction with service	5%
<b>Better Homes</b> 50% of Total	Housing demand – waiting list	25%
	Fuel Poverty	12.5%
	House sales	12.5%
<b>Vibrant communities</b> 30% of Total	Satisfaction with place, community relations	6%
	Engaged community	6%
	ASB, NINIS	6%
	Combined IMD	6%
	Access to services IMD	6%

- 4.21 It is very important to note that in nearly all cases this data is not available for groups or individual tower blocks, and that the results obtained are those applicable to the wider areas in which the blocks are located rather than being specific to each block. Consequently these results need to be treated with a degree of caution.

- 4.22 The sustainability scores in regard to the Tower Blocks are set out in Table 6 below:



**Table 6: Social sustainability scores by block (Non- Financial)**

Block	Total units	Total service impact score	Total better homes score	Total vibrant communities score	Combined sustainability score
BELVOIR	52	2.5	6.5	6.0	5.5
BREDA	55	2.5	6.0	5.9	5.3
COOLMOYNE	43	3.8	3.3	4.6	3.8
FERNDALE	27	4.5	3.0	4.4	3.7
PARKDALE	30	4.0	3.0	4.4	3.6
RATHMOYNE	38	3.8	3.0	4.4	3.6
RIVERDALE	42	4.8	3.0	4.6	3.8
WHINCROFT	55	4.3	5.5	6.6	5.6
WILLOWBROOK	39	3.3	5.5	5.6	5.1
WOODSTOCK	40	4.3	5.5	5.7	5.3
KILBRONEY	71	1.8	5.0	4.8	4.3
CUCHULAINN	50	2.8	3.0	4.4	3.4
EITHNE	49	3.5	2.3	4.6	3.2
FIANNA	50	3.0	2.3	4.6	3.1
FINN	49	3.0	2.3	4.6	3.1
GRAINNE	81	5.0	2.8	5.0	3.9
MAEVE	50	3.8	2.8	4.6	3.5
OISIN	50	3.8	2.8	4.6	3.5
MOUNT VERNON	62	4.0	1.5	6.1	3.4
ROSS	75	2.0	1.5	6.1	3.0
MOVEEN	37	4.0	6.3	3.5	5.0
MOYLENA	45	2.5	5.5	3.7	4.4
CLARAWOOD	56	1.3	2.8	4.6	3.0
CARNET	57	3.5	2.3	6.2	3.7
DIVIS	91	4.3	1.8	3.9	2.9
LATHARNA	88	4.3	2.5	6.0	3.9
ABBOTSCOOLE	41	3.8	4.8	5.0	4.6
CARNCOOLE	49	2.5	4.8	4.8	4.3
GLENCOOLE	57	4.0	5.3	4.9	4.9
MONKSCOOLE	68	4.0	4.5	4.9	4.5
BEECHWOOD	17	3.0	9.0	5.2	6.7
WOODLAND	15	4.8	9.0	5.2	7.0

4.23 As can be seen above, there is a considerable range of performance across the blocks, both in the overall score and in the individual scores for the three non-financial measures, and this analysis suggests that there are important issues to be addressed in several of the locations.

4.24 However, given the caveat noted above in paragraph 4.21 regarding the applicability of the data, it would be difficult to draw strong conclusions at this time about individual blocks; instead, the data should be treated as directional rather than absolute. It will therefore be vital that the types of issues addressed in this analysis are further explored in greater and more specific detail as future action is considered for each block or group of blocks.

### Overall Performance (Sustainability)

4.25 The social sustainability score has been combined with the financial performance results in the table below to provide an indication of overall performance for each block.

**Table 7: Financial and non-financial sustainability scores**

Block	Total Tenanted Units	NPV pu 30yr	30 Yr NPV	Avg Sustainability Score
BELVOIR	52	-£66,381	(£3,451,792)	5.5
BREDA	55	-£64,793	(£3,563,601)	5.3
COOLMOYNE	43	-£35,385	(£1,521,559)	3.8
FERNDALE	27	-£54,378	(£1,468,219)	3.7
PARKDALE	30	-£52,182	(£1,565,457)	3.6
RATHMOYNE	38	-£41,266	(£1,568,116)	3.6
RIVERDALE	42	-£45,867	(£1,926,406)	3.8
WHINCROFT	55	-£44,631	(£2,454,706)	5.6
WILLOWBROOK	39	-£44,556	(£1,737,702)	5.1
WOODSTOCK	40	-£43,613	(£1,744,500)	5.3
KILBRONEY	71	-£38,639	(£2,743,368)	4.3
CUCHULAINN	50	-£56,171	(£2,808,559)	3.4
EITHNE	49	-£88,628	(£4,342,756)	3.2
FIANNA	50	-£86,404	(£4,320,192)	3.1
FINN	49	-£89,619	(£4,391,350)	3.1
GRAINNE	81	-£58,454	(£4,734,777)	3.9
MAEVE	50	-£89,910	(£4,495,491)	3.5
OISIN	50	-£86,269	(£4,313,454)	3.5
MOUNT VERNON	62	-£67,917	(£4,210,858)	3.4
ROSS	75	-£58,834	(£4,412,520)	3.0
MOVEEN	37	-£46,302	(£1,713,163)	5.0
MOYLENA	45	-£39,960	(£1,798,191)	4.4
CLARAWOOD	56	-£38,711	(£2,167,809)	3.0
CARNET	57	-£41,371	(£2,358,173)	3.7
DIVIS	91	-£61,314	(£5,579,568)	2.9
LATHARNA	88	-£34,520	(£3,037,731)	3.9
ABBOTSCOOLE	41	-£72,858	(£2,987,165)	4.6
CARNCOOLE	49	-£65,318	(£3,200,597)	4.3
GLENCOOLE	57	-£46,770	(£2,665,889)	4.9
MONKSCOOLE	68	-£56,468	(£3,839,857)	4.5
BEECHWOOD	17	-£71,253	(£1,211,303)	6.7
WOODLAND	15	-£78,359	(£1,175,383)	7.0
Average for NIHE Stock		£128		5.4

## Summary

- 4.26 The assessment of financial performance has demonstrated that the retention of the tower blocks - given the currently projected higher level of investment and management costs against income - would require significant subsidy from the overall stock's business plan.
- 4.27 In addition, the analysis of non-financial performance suggests that there may be issues that require further investigation before definitive conclusions can be made on the extent to which each of the blocks or groups of blocks are helping to meet the Housing Executive's business objectives.
- 4.28 In combination the assessment of the financial and non-financial performance of the tower blocks places a question over their long term sustainability.

## 5. Developing Active Asset Management

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### Asset management objectives

- 5.1 In the long term our asset management strategy seeks to establish a portfolio of assets which matches demand, meets residents' aspirations, fits with business needs and where investment programmes are supported by a robust long term financial plan.
- 5.2 Our overarching strategy states that we will prioritise investment in the long term sustainable stock. Where financial and/or social sustainability appears vulnerable in the long term we will explore the extent to which we can strengthen cash flows through business improvement, implement interventions to improve social sustainability, or explore alternative options for the assets that will deliver better outcomes for the landlord and for residents.
- 5.3 The long term principles from our overarching strategy apply equally to the Tower Blocks. These include a commitment to only retaining assets where they align with the organisation's business needs, and to ensure that income generated from the assets is maximised. These principles also state that assets are used to support wider programmes and initiatives to support social well-being.
- 5.4 The evidence from the asset performance evaluation shows that none of the 32 Tower Blocks appear financially viable, and many have below average social sustainability when compared with our other residential assets. This means that any decision to retain and invest in these blocks, would require subsidy from the broader business plan and would, in many cases, also need to be accompanied by strategies to improve social sustainability. Investment in this stock will therefore need to be considered alongside competing demand for investment in other stock

### Summary of Issues impacting on Tower Blocks

- 5.5 In the context of the objectives set out above it is worth summarising what the outputs from the Asset Commission work tell us about Tower Blocks:
  - The stock provides less than 2% of the houses available to rent to our tenants
  - The overall cost of achieving the Commonly Adopted Standard is circa £106 million
  - Many of the properties are significantly under-occupied and their use, in social housing terms, is not therefore being optimised
  - The thermal efficiency of the blocks is poor and homes are therefore hard to heat. In addition the type of construction limits the range of effective heating solutions available.
  - The tenure mix in some blocks makes substantive investment more complex
  - The cost of managing the blocks is not supported by income receivable

### Asset Management Approach

- 5.6 The current demand and void issues, coupled with the costs of achieving the agreed standard, require that a very serious examination of the issues is undertaken prior to significant investment being made in the Tower Blocks.
- 5.7 The key strategic proposal is therefore that a series of option appraisals should be conducted for these properties. The issues vary significantly across the different estates described in this

strategy and there is no single approach which would fit all of the circumstances. It is therefore proposed that an options appraisal for each of the 13 estate groupings identified earlier should be undertaken with a view to considering a range of options that will include reaching a conclusion on whether all of the Tower Blocks should be retained.

5.8 It is strongly recommended that if a decision to retain any or all of the blocks is taken then the investment required to secure a long term life should be committed to. The over-cladding options which are included within the costs set out in this strategy assume a further 30 year life for the buildings. This would take these blocks through to the middle of the 21<sup>st</sup> century approximately 85 years after they were first constructed.

5.9 The objectives for the option appraisal process would be to:

- Explore alternative options that would improve financial viability and long term demand.
- Consider the social need for retention of the block(s) alongside local housing market information
- Compare the costs and benefits of retention against all available alternative options and consider
  - The extent to which strategies can be put in place to potentially improve financial performance, for example through restructuring of the concierge service and improvements in recovery of service costs and leaseholder recharges
  - A review of long term demand for the accommodation, as well as levels of current under occupation.
  - An exploration of whether alternative options are available that offer better outcomes for existing residents.
  - An exploration of the extent to which there may be limited capacity for alternative uses of the site.
  - An exploration of the extent to which opportunities for change of tenure could improve financial performance
- Determine whether demolition and new build would deliver a better long term outcome in some cases

5.10 The option appraisals will require to consider how and if financial performance could be improved and to what extent and at what cost improvements could be delivered. Specifically this could include

- A review of the concierge service to consider how this could be reconfigured or restructured to reduce or broaden the cost base
- A review of service charges levied on tenants and leaseholders for day to day services and consideration of options to improve income recovery against costs
- A review of the extent to which the implementation of outcomes of consultation on rent policy would improve income and reduce the funding gap
- A review of leaseholder charges for major works, including the extent to which these can be recovered, and options to assist leaseholders with payment.
- An analysis of the impact arising from the implementation of welfare reform and, in particular the bedroom tax, in blocks with substantial under occupation.

5.11 The average open market value of the flats in the blocks is estimated to range from £28k to £52k. The liabilities for these blocks have average NPVs ranging from -£34.5k to -£89.9k per unit. This means that in some cases properties are projected to lose more money over the 30

years of the business plan than they would fetch on the open market if sold vacant. Sales of voids - particularly in blocks with high proportions of leaseholders in order to move the block to 100% leaseholder ownership - may represent a solution that avoids a conflict between the needs of tenants for improvements and the need for leaseholders to minimise the cost of works. Tenants in blocks with high proportions of leaseholders could be offered a transfer to a better quality home in order to meet their needs more efficiently and accelerate sales of voids.

5.12 All options for improvement will be explored. These include:

- The extent to which investment would improve sustainability and mitigate risk of reducing demand;
- Management initiatives – for example, efficiencies in concierge costs or reductions in underlying maintenance or repair expenditure, reduction of voids, increases in income subject to DSD policies on rents and service charges.
- Options for tenants in blocks with large proportions of leaseholders, where over cladding works cannot be afforded due to an inability to recover costs from leaseholders. This might include, for example the offer of a move to alternative accommodation at a higher standard, and subsequent sale of voids to move blocks to 100% leasehold ownership.
- Redevelopment potential based on a review of developable land surrounding the blocks. In this context an initial mapping exercise has been carried out to evaluate the extent of open space around each block. Although this analysis does not identify how much of the open space could be developed, it does show significant amounts around some blocks which can be considered as part of any evaluation.
- Transfer to alternative providers to ensure continued use as affordable housing where subsidy is not available to support cash flows within NIHE's business plan
- Decommissioning, demolition and disposal.

5.13 We have a clear and robust methodology already in place for carrying out Economic Assessment/Business Case analysis which can be readily used to assess the full range of issues which require to be considered in reaching an informed conclusion in each of these potentially diverse circumstances.

5.14 The intention is that these appraisals will be carried out over the next 12-15 months which would:

- Allow decisions on the shape of the final portfolio to be made in the context of the SHRP reform project and the affordability of any future business plan under the preferred option that emerges from the SHRP reforms
- Provide clarity on the number of Tower Blocks required to deliver a contribution to the long term housing supply
- Set out alternative housing options where necessary
- Facilitate the procurement of a programme of over-cladding works for all retained blocks. It would be beneficial to consider a significant programme of over-cladding being undertaken as a single programme of works with the associated procurement benefits that would bring.

5.15 There are major benefits to be obtained from procurement of an overall programme of over-cladding as opposed to any piecemeal approach and, given that the development of such a strategy can be run in tandem with the appraisal process, delays in kick-starting this programme can be minimised as far as practical. It is envisaged that such a programme of works could commence in blocks identified as having a long term future in 2018/19

5.16 Given the time that will be required to complete the appraisals programme and prepare the forward plan for the portfolio, in the intervening period the following approach is recommended:

- To agree an interim investment approach for these assets until decisions about their long term future are agreed.
- To ensure all regulatory and legislative requirements are met.

## 6. Developing the Tower Blocks Action Plan

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### The Current Position

- 6.1 Our Landlord Asset Management Strategy for the whole stock sets out the overall level of resources that is estimated to be available during the next five years. Any works to Tower Blocks will need to be afforded within this overall plan.
- 6.2 Addressing the issues around Tower Blocks in a comprehensive way has been identified as a key ministerial priority. The interim investment programme for 2015/16 and 2016/17 and the ongoing programmed maintenance programme both include a number of schemes in the Tower Blocks designed to address improved thermal insulation, security and health and safety compliance and these are set out on Appendix 4.
- 6.3 The interim investment programme included the external upgrading of a further three Towers and was established in advance of the key considerations addressed within this strategy. Nonetheless it is proposed that these works should continue on the basis of the commitments already given to local communities, subject to satisfactory economic appraisal. This would bring the existing commitment to over cladding to four blocks in total, specifically:
- Cuchulainn House
  - Eithne House
  - Carnet House
  - Whincroft House
- 6.4 There are other additional investment requirements in these blocks which will be programmed separately. Further decisions on over-cladding of the remaining blocks will be subject to the outcome of the option appraisal process.

### The Next Stages

- 6.5 The following comprise the practical steps will be taken in implementing this Strategy in respect of Tower Blocks:
- Due to the results of the financial and social sustainability analysis, no major investment, beyond that identified within the interim investment plan and described above, is planned in Tower Blocks in the early years of the investment plan, to allow time for option appraisals to be carried out.
  - The key step is to set up, organise and deliver the option appraisals proposed earlier and to do so in conjunction with the local communities affected and other key stakeholders.
  - Given the scale and importance of this task this will take time and the commitment of significant resources, and it is therefore proposed to set up a dedicated team to take forward the work involved in a concerted way with a view to delivering results for consideration within the next 18 months. An illustrative programme of appraisal is set out at Appendix 5 (it should be noted that the order in which the appraisals will be undertaken does not reflect any prioritisation of the blocks as regards a future works programme)
  - A detailed plan for the future of each block or estate as appropriate will be presented for decisions by our board and the Department for Social Development (as required).



- A long term plan will then be developed setting out the extent of, and the timescales associated with, all works to retained blocks.
- A review of concierge services, service charge policy and leaseholder recharges will be carried out at the same time as the option appraisals in each area.
- A holding investment approach will be developed for the Tower Blocks to ensure that all health and safety work and related compliance issues continues to be delivered while option appraisals are ongoing.

6.6 The outcome of all of this will be a fully detailed Tower Blocks plan that will include:

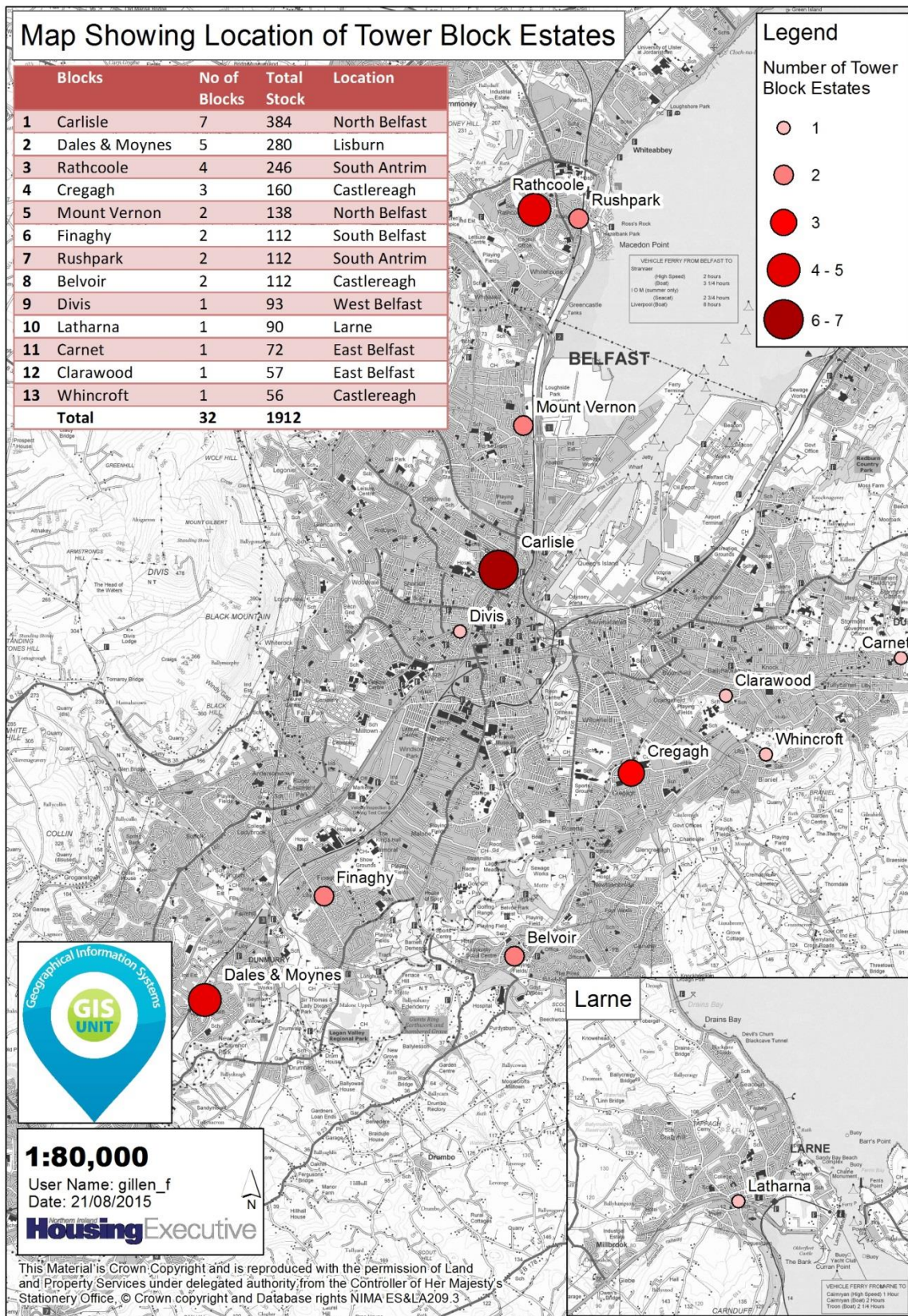
- An investment programme to bring the blocks that will be retained up to the Commonly Adopted Standard. This cannot be accomplished within the time frame envisaged by this strategy but could potentially be delivered over a 10 year time frame. The order in which these blocks will be addressed will be determined with regard to their relative condition and needs.
- A disposals programme (as required)
- A demolition programme (as required)

## 7. Monitoring and review

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- 7.1 Given the key recommendation contained within this strategy is a programme of option appraisal the central issue for monitoring and review will be the oversight of progress in relation to that programme. As decisions are taken on individual Towers or groups of Towers the consequent actions will migrate to become part and parcel of the whole stock asset management strategy. The accountability and processes for subsequent monitoring and review of progress will therefore follow those set out in the Asset Management Strategy.
- 7.2 In the intervening period of option appraisal quarterly progress reports will be prepared for consideration of the Senior Management Team. Completed option appraisals, detailing the way forward, will be subject of approval via the established internal management mechanisms followed by the Board. Thereafter, given the nature and anticipated cost of the work, the recommendations may require approval by the Department for Social Development and the Department of Finance & Personnel.

# Appendix 1 – Location of Tower Blocks



## Appendix 2 – Analysis of Void rates across Tower Blocks

Block	No of Tenanted Units	Voids %age (Average over 3 years)	Turnover
BELVOIR	52	1.63%	12.65%
BREDA	55	1.04%	9.11%
COOLMOYNE	43	1.94%	16.76%
FERNDALE	27	1.26%	8.12%
PARKDALE	30	0.97%	12.53%
RATHMOYNE	38	1.84%	19.78%
RIVERDALE	42	1.47%	16.41%
WHINCROFT	55	1.68%	6.27%
WILLOWBROOK	39	1.50%	8.84%
WOODSTOCK	40	0.68%	6.27%
KILBRONEY	71	6.47%	18.53%
CUCHULAINN	50	3.70%	15.66%
EITHNE	49	1.53%	8.31%
FIANNA	50	1.71%	11.28%
FINN	49	2.38%	12.79%
GRAINNE	81	1.38%	7.35%
MAEVE	50	1.43%	7.52%
OISIN	50	0.93%	6.89%
MOUNT VERNON	62	1.52%	9.09%
ROSS	75	5.95%	27.57%
MOVEEN	37	1.19%	8.47%
MOYLENA	45	1.56%	15.31%
CLARAWOOD	56	3.00%	12.87%
CARNET	57	1.20%	7.69%
DIVIS	91	0.59%	7.23%
LATHARNA	88	1.69%	15.66%
ABBOTSCOOLE	41	19.02%	9.93%
CARNCOOLE	49	13.59%	10.23%
GLENCOOLE	57	60.87%	19.78%
MONKSCOOLE	68	56.06%	20.73%
BEECHWOOD	17	1.15%	7.37%
WOODLAND	15	2.77%	8.35%
<b>Total</b>	<b>1629</b>	<b>7.14%</b>	<b>12.52%</b>

Void rates reflect voids held empty for a variety of management reasons. Therefore adjusted void rates were agreed with NIHE to reflect an ongoing estimate of demand, as set out below.

### Exceptional Issues

- a) High voids in the Rathcoole blocks reflect the history of improvement with units held empty pending works or review. This is not necessarily a predictor of future void levels. However, with demand relatively weak in these areas an ongoing void rate of 10% has been used to project future cashflows of these blocks.
- b) Other adjustments include
- Clarawood House – future projection reduced from 3% to 2% to reflect the fact that historic voids are driven largely by high turnover although all voids were relatively short term and there are no current concerns regarding future sustainability
  - Woodland House – future projection reduced from 2.77% to 2% reflecting relatively low turnover with no problems reletting
  - Cuchulainn House – future projection reduced from 3.7% to 2% reflecting the fact that while there is a fair degree of turnover, all blocks in this area are relatively stable and therefore it is assumed that recent voids reflect the major works underway in the pilot programme.
  - Finn House – future projection reduced from 2.38% to 2% reflecting stability of area
  - Ross House – future projection reduced from 5.95% to 3% reflecting the impact of recent works to improve security and reduce anti social behaviour and the introduction of the caretaking service

## Appendix 3: Fuel Poverty Indicators and SAP Ratings

Estate	Block	Average SAP	Fuel Poverty Performance
Belvoir	BELVOIR	62.93	10
	BREDA	64.60	10
Seymour Hill/Conway	COOLMOYNE	48.91	3
	FERNDALE	46.20	2
	PARKDALE	43.56	2
	RATHMOYNE	48.60	2
	RIVERDALE	44.10	2
Braniel	WHINCROFT	47.47	3
Cregagh	WILLOWBROOK	37.55	3
	WOODSTOCK	38.91	3
	KILBRONEY	44.47	1
Carlisle	CUCHULAINN	58.40	4
	EITHNE	53.25	1
	FIANNA	48.54	1
	FINN	54.21	1
	GRAINNE	57.18	3
	MAEVE	57.47	3
	OISIN	56.73	3
Mount Vernon	MOUNT VERNON	53.82	2
	ROSS	52.37	2
Finaghy	MOVEEN	55.10	4
	MOYLENA	48.60	1
Clarawood	CLARAWOOD	57.80	6
Ardcarn	CARNET	45.65	2
Lower Falls/Divis	DIVIS	54.84	1
Larne town centre	LATHARNA	56.45	5
Rathcoole	ABBOTSCOOLE	54.50	3
	CARNCOOLE	54.36	3
	GLENCOOLE	56.87	5
	MONKSCOOLE	53.50	2
Rushpark	BEECHWOOD	54.80	6
	WOODLAND	54.71	6
		<b>52.69</b>	

## Appendix 4: Interim Investment Plan

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Category	Scheme Name	Scheme Type	Nr. Units / Dwellings	Start Date (EST)
Multi Storey Blocks	Cuchulainn House	Over Cladding	50	Underway
Multi Storey Blocks	Abbotscoole / Carncoole	Health & Safety /Compliance	118	2015/16 Q4
Multi Storey Blocks	Dales/Moynes	Revenue Repair - Balconies	As Required	2015/16 Q3
Multi Storey Blocks	Monkscoole House	Health and Safety/Legionella Prevention	73	2015/16 Q4
Multi Storey Blocks	High Rise Belfast	Health and Safety/Legionella Prevention	553	2015/16 Q3
Multi Storey Blocks	Fire Doors New Lodge High Rise	Health & Safety /Compliance	388	2015/16 Q3
Multi Storey Blocks	Fire Doors High Rise Belfast	Health & Safety /Compliance	498	2015/16 Q3
Multi Storey Blocks	Carlisle Multi CCTV	Security Initiative	388	2015/16 Q3
Multi Storey Blocks	Carnet House	Over Cladding	69	2016/17 Q2
Multi Storey Blocks	Eithne House	Over Cladding	48	2016/17 Q1
Multi Storey Blocks	Whincroft House	Over Cladding	56	2016/17 Q3

## Appendix 5: Illustrative programme of option appraisal

Estate	No of Blocks	Stock Position			Demand Assessment	Position	Timescale (Start Date)
		Total stock	Leasehold Units	%age Sold in Group			
Carlisle	1 Block - Cuchulainn	50	0	0.50%		Interim Investment Programme	Complete
Carlisle	Block 2 -Eithne	50	1	0.50%		Interim Investment Programme	Underway
Ardcarn	1 Block (Carnet)	72	14	19.4%		Interim Investment Programme	Underway
Braniel	1 Block (Whincroft)	56	1	1.8%		Interim Investment Programme	Underway
Rathcoole	4 Blocks	246	31	12.6%	Low/Medium	Phase 1	Dec-15
Carlisle	5 Blocks (less Cuchulainn/Eithne)	384	2	0.5%	Low/Medium	Phase 1	Dec-15
Seymour Hill/Conway	5 Blocks	280	99	35.3%	Medium/High	Phase 1	Dec-15
Cregagh	3 Blocks	160	7	4.4%	Medium/High	Phase 2	Mar-16
Finaghy	2 Blocks	112	30	26.8%	Medium	Phase 2	Mar-16
Rushpark	2 Blocks	112	80	71.4%	Medium	Phase 2	Mar-16
Mount Vernon	2 Blocks	138	1	0.7%	Low	Phase 2	Mar-16
Belvoir	2 Blocks	112	5	4.5%	Medium	Phase 3	Jun-16
Clarawood	1 Block	57	1	1.8%	Low/Medium	Phase 3	Jun-16
Lower Falls/Divis	1 Block	93	2	2.2%	High	Phase 3	Jun-16
Larne town centre	1 Block	90	2	2.2%	Low	Phase 3	Jun-16