



Department for

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Intermediate Rent Policy

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Introduction

1. Intermediate Rent is a form of affordable rented housing, offering longer tenancies, high quality homes, and facilitating tenancy support services. The Department for Communities (“the Department”) has developed this policy on Intermediate Rent for the housing market in Northern Ireland with the aim of increasing supply and making available an additional housing choice, which is of high quality, is more affordable and more secure for households. This policy document outlines the key principles of the Intermediate Rent housing product, and sets the framework for a home to be “Intermediate housing for rent.”
2. Many families are struggling to access a private rented home, exacerbated by increasing rents and insecurity in the sector, and demand continues to exceed supply for social homes. In a statement to the NI Assembly in November 2020, the Communities Minister set out an ambitious housing programme, including the development of a draft Housing Supply Strategy centred on the vision that “everybody has access to a good quality, affordable and sustainable home that is appropriate for their needs and is located within a thriving and inclusive community.”
3. As a result the Department is taking forward a range of actions to help address housing inequalities, with the introduction of new housing products, like Intermediate Rent, being one such measure.
4. The purpose of the policy is to provide anyone with an interest in any aspect of Intermediate Rent (e.g. planning, development, letting, tenancy, enforcement, or advocacy) with the policy framework. This policy document can aid those submitting or consulted on planning applications, it may assist Planners where they are considering planning agreements, and it may offer those who enforce regulation in the Private Rented Sector (Environmental Health Officers, the courts etc) sufficient clarity around what is meant by “Intermediate Rent” in terms of complying with relevant legislation (Information on Private Tenancies legislation is detailed in the Legislation section below).
5. The policy can help prospective tenants understand what to expect from an Intermediate Rent home and assist housing advisory services to assess if it is a potential housing option for their clients. Intermediate Rent landlords will provide specific information regarding their Intermediate Rent properties to help those interested in becoming tenants to decide if it is the right housing option for them. Any landlord offering homes as Intermediate for rent must provide clear and accessible information and advice to applicants and tenants and make this available in a range of formats.

6. Intermediate Rent tenancies are private rented tenancies, therefore all of the rights and obligations in place in respect of any private tenancy apply to Intermediate Rent tenancies.
7. Where required the Department may supplement this policy document with additional guidance material.

What is Intermediate Rent?

8. “Intermediate housing for rent” (also referred to as Intermediate Rent) is a new form of private rented housing, which may be funded by Government, and which can offer an alternative to open market private rental for those whose needs are not met by the market. Intermediate Rent is not a form of social housing and offers tenancies in a similar way to other private tenancies. The introduction of an Intermediate Rent policy is one of a range of initiatives by the Department aimed at increasing affordable housing supply and reducing housing stress.
9. Intermediate Rent tenancies are private rented tenancies¹, however they differ from open market private rented tenancies by offering additional benefits, including rents set at a level below what is available in the open private rented market. It is therefore referred to as a below market rent housing option. In addition, Intermediate Rent tenancies offer better security of tenure (by providing longer tenancies than normally encountered in the private rented sector), provide quality properties which are well maintained, and seek to offer advice and information (directly or via third parties) to tenants which can help mitigate some of the issues which tenants can face in accessing and sustaining a tenancy.
10. Intermediate Rent is most likely to be a suitable option for households who can pay more than social rents, but for whom open market rents present an affordability issue. It can also offer an opportunity for some households by providing time to plan and save for major expenditures or goals such as education, professional development, or a deposit for home ownership.
11. This policy contains an income eligibility ceiling. This aims to limit access to lower to moderate income households who can derive the most benefit from an Intermediate Rent tenancy. It is unlikely that every household, particularly those households on the lowest incomes or on incomes higher than the income eligibility threshold, could access an Intermediate Rent home. It will not be a suitable solution for everyone, but for some it can offer a more secure, cost effective and sustainable housing option.

12. The Department is committed to increase the supply of affordable housing and intends to complement the support already in place for social housing and intermediate housing for sale, with a funding model to support Intermediate Rent development. Under new planning arrangements, Planners may require the development of more affordable housing, including “Intermediate housing for rent”, in some new residential developments in line with the Councils’ Local Development Plans (LDPs).

Intermediate Rent Policy Aims

13. This policy aims to put in place the context within which the following can occur:
- create a new supply of homes
 - provide much needed high-quality housing at below market rents for those on lower to moderate incomes
 - offer homes for rent with at least a 20% discount on prevailing market rents for a similar property type and size within a locality²
 - provide homes of a size and type suitable for the number of occupants, in areas where people wish to live
 - alleviate some of the up-front barriers to accessing a rented home and be targeted towards eligible lower to moderate income households
 - offer enhanced security of tenure with tenancies of up to five years at a time and the option to renew subject to the agreement of the landlord and tenant
 - offer tenants access to effective and prompt property management and tenancy support services
14. Intermediate Rent homes can make a positive difference for tenants when it comes to rental affordability and can reduce or remove some of the barriers which some people can face in finding and sustaining a tenancy in a home that meets their needs. This in turn, can benefit wider society by contributing to the creation and maintenance of diverse communities.

15. Intermediate Rent homes are intended to remain as Intermediate housing for rent for the longer term. By offering tenancies of up to five years at a time with the option to renew, (subject to agreement of the landlord and tenant), these homes can be offered for rent to multiple households over time. Given the indicative tenancy durations, it would be expected that a dwelling operating as Intermediate Rent would continue to operate for a minimum period of ten years (i.e. two consecutive five-year tenancies). Any Intermediate Rent homes which are developed using Government funding would be expected to be retained as Intermediate Rent in line with any funding agreement conditions³.
16. It is not intended that tenants will have the equivalent of a lifelong “secure” tenancy, nor will they be expected to have an opportunity to purchase the property they rent. This must be fully explained to a tenant before a tenancy is taken up. Like any private rented tenancy, both the landlord and tenant must be in agreement for a tenancy to be extended or amended. The tenant will not have an automatic right for a tenancy to be renewed. In line with normal practice in the private rented sector, there will be no succession rights for anyone living in an Intermediate Rent home.

Legislation

17. Anyone acting as an Intermediate Rent landlord is offering a private tenancy and is bound by the law in place for private tenancies. The Private Tenancies (Northern Ireland) Order 2006⁴ and the Private Tenancies Act (Northern Ireland) 2022⁵ are the main pieces of legislation which set out the arrangements applicable to private landlords and private tenancies. These are underpinned by various associated Regulations.
18. The regulatory framework for private tenancies includes, but is not limited to, the requirement for landlords to be registered within the Landlord Registration scheme, that any tenancy deposit taken must be protected within an approved scheme⁶, that properties must at least meet the minimum housing fitness standard and offer certain safety measures, and so on. It is mandatory for Intermediate Rent landlords to provide their tenants with a written statement of tenancy terms⁷. For all private tenancies for a fixed term of more than one year and one day the tenant must receive a written tenancy agreement. It is therefore expected that any Intermediate Rent landlord will have to provide their tenants with a written tenancy agreement⁸.

19. Anyone intending to provide Intermediate Rent homes must ensure they are legally entitled to deliver and operate Intermediate Rent homes. In line with The Housing (Northern Ireland) Order 1992⁹, at present certain organisations, including Registered Housing Associations, are unable to develop and let Intermediate Rent homes as part of their core business as they may not offer private rented tenancies¹⁰. Legislation is under review, and this may change in the future. Organisations involved in delivery may include any private rented landlord, a private rented subsidiary company associated with a Registered Housing Association, or an organisation in the third sector involved in delivering housing.

Scope of the Intermediate Rent policy

20. This policy applies to any person or organisation which is permitted to offer private tenancies¹¹ and who seeks to offer Intermediate Rent homes. It applies to all forms of Intermediate Rent and must be followed for the period a property is offered as Intermediate Rent. This policy will be reviewed on a five-yearly basis. The Department will not compel any organisation to deliver Intermediate Rent.

Funding Arrangements

21. The Department for Communities intends to separately provide financial support towards the development and letting of Intermediate Rent homes. Funding will be made available to an Intermediate Rent Operator who will deliver and let a supply of Intermediate Rent homes and be awarded funding via a competitive process. The Intermediate Rent Operator will be expected to fulfil specific conditions associated with accessing that funding in addition to this policy and the regulatory framework for private tenancies, which will be agreed and set down within a contract. They must also comply with additional regulatory and governance arrangements beyond those requirements referred to in this policy.
22. The level of interest in renting an Intermediate Rent home may exceed the supply which the Department can support, therefore, the development of Intermediate Rent homes outside of the funding model provided by the Department is also welcome. All homes offered as Intermediate housing for rent must abide by the requirements set out within this policy document, irrespective of whether the homes are developed within the funding model or not.

23. The Department's funding is expected to be in the form of loan and will contribute to the overall cost to develop and operate the new Intermediate Rent units. Interest will be payable on any loan funding made available by the Department, with the detail of the funding conditions, including the Operator's contribution and the loan term, to be agreed with the Intermediate Rent Operator. It is expected that Intermediate Rent homes developed using government funding will remain as Intermediate for Rent for at least the duration of any funding period. Any such funding shall be in compliance with UK Subsidy Control rules.

Detailed Intermediate Rent Policy

24. The following sections provide detailed information to assist with the delivery of Intermediate Rent homes. They will cover:
- Location
 - Supply
 - Design
 - Eligibility for Intermediate Rent tenancies
 - Setting of Rents for Intermediate Rent tenancies
 - Uprating of Intermediate Rent costs
 - Offering an Intermediate Rent tenancy: Advertising and Applications
 - Offering an Intermediate Rent tenancy: "Ability to Pay Rent" Checks
 - Intermediate Rent Tenancy Documents and Tenancy Deposits
 - Intermediate Rent Tenancy Duration
 - Repairs and Maintenance
 - Tenancy Support Services and Tenant Handbook

Location

25. Intermediate Rent homes can be delivered in any location across Northern Ireland but may be particularly effective in areas of high rental cost and high demand. Intermediate Rent landlords will wish to consider the prevailing market conditions when locating properties and may wish to consult local experts to aid decision making on the suitability of a site e.g. Royal Institution of Chartered Surveyors (RICS) member, estate agents etc. The Housing Executive, as statutory authority responsible for assessing housing need, will have a role in making available information regarding estimated Intermediate Rent housing need.
26. As Intermediate Rent tenancies are to be targeted towards households whose needs are not met by the housing market, rents will be set at a level which is below private market rents, but generally higher than social rents. Research¹² suggests the most pronounced 'affordability gap' between Housing Association and private market rents exists within certain Council districts. Intermediate Rent will not be suited to every location. In some specific locations the cost of private renting can be considerably higher than the cost of a social rented tenancy and these locations may be most suitable for Intermediate Rent development.
27. There are a wide range of issues to be considered when making plans to develop or acquire Intermediate Rent homes. These may include, but are not restricted to:
 - Planning obligations: Affordable Housing Policies provide the opportunity to develop units for Intermediate Rent in relation to the provision of affordable housing in LDPs. Providers for Intermediate Rent will need to be aware of these arrangements
 - Infrastructure: access to water / wastewater infrastructure, adopted roads network, energy network, communications, and broadband network etc
 - Facilities and amenities in the geography / location of Intermediate Rent properties (i.e. proximity to transport including public transport links / road network, access to education, medical services, retail, and other facilities)
 - Dwelling design: a bespoke "Homes for Intermediate Rent Design Standards" document has been produced to outline expectations on the development and acquisition of properties to be offered as Intermediate Rent

Supply

28. The purpose of this policy is to help increase the supply of housing generally, and the supply of more affordable housing specifically. Intermediate Rent dwellings should normally increase the housing stock available through new build¹³, renovation of unoccupied properties or conversion of properties currently used for another purpose. Existing occupied dwellings should not be repurposed as Intermediate Rent.
29. Providing properties offering good energy efficiency and thermal comfort, which are accessible and can be adapted, are inherent factors in providing good quality homes which can continue to meet peoples' needs over time. Renovation or conversion may, therefore, not always be suitable options.

Design

30. Intermediate Rent homes must be high quality and sustainable in their construction, design and layout. Homes should be flexible, responsive to the changing needs of the occupants and of a variety of households who will occupy the building over its life and be of sufficient size. Homes must also be safe and secure for their occupants.
31. Developments should provide well-designed dwellings and public realm that people want to live and be in, which are visually attractive, respect context and have a strong sense of place that helps create a positive, distinctive, and coherent identity within diverse communities.
32. Intermediate Rent dwellings must be of a good quality and should aim to exceed Building Regulations, taking cognisance of local Council Supplementary Planning Guidance. Properties must meet all the landlord's obligations contained in legislation governing private tenancies. Guidance contained in the Housing Association Guide¹⁴ on the planning of new social homes offers a useful guide to the development of one form of affordable housing and anyone interested in offering homes as Intermediate housing for rent should refer to that material, as well as the "Homes for Intermediate Rent Design Standards", prior to development.

Design: Specifications

33. A bespoke "Homes for Intermediate Rent Design Standards" document has been developed to provide information on the standards expected for Intermediate Rent homes and is available on the Department's **website**. It sets out the essential and desirable requirements of Intermediate Rent homes, both internally and externally. Intermediate Rent homes developed with Government funding are required to meet the design standards in the document, and homes delivered without funding are strongly encouraged
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to meet the standards outlined. The “Homes for Intermediate Rent Design Standards” document reflects the necessity to develop homes which can be adaptable, provide high levels of energy efficiency, and policies regarding decarbonisation. Developing properties in this way can improve outcomes for tenants and can also ensure investment in the landlord’s asset.

34. General needs Intermediate Rent homes must be finished to a level which will permit a tenant without accessibility needs to move into and live in the home without needing to make any adjustments to the fabric of the building. Homes should be finished to a turnkey standard including floor coverings, painted walls and window coverings. Walls should be painted in neutral colours and window coverings provided for living spaces to maintain privacy appropriate to the room and blackout blinds / curtains fitted in bedrooms. Landlords may wish to offer tenants a choice of colours for wall and floor coverings for newly developed properties or when redecoration is required before a relet of the property.
35. Intermediate Rent dwellings are expected to be let unfurnished, however white goods must be supplied as specified in the “Homes for Intermediate Rent Design Standards” with the fridge freezer of appropriate size for the occupants of the home. Intermediate Rent landlords will be responsible for the repair and maintenance of items supplied by them as landlords. Intermediate Rent tenants will be responsible for the repair and maintenance of items they supply themselves.

Design: Adaptability and accessibility

36. Intermediate Rent homes should accommodate accessibility and adaptability changes to meet the evolving needs of tenants during their tenancy. Intermediate Rent homes designed for wheelchair users should meet the DfC Wheelchair housing standard set out in the Housing Association Guide¹⁵. Turnkey finishes described for general needs housing should then be applied to these homes, in a manner sensitive to the needs of intended users.
37. Properties should be designed taking into account the guidance outlined in the “Homes for Intermediate Rent Design Standards” document, allowing the dwelling to meet the needs of a range of people during different stages of their lives. This may involve allowing the flexibility to make changes to accommodate any new requirements or, preferably, by building homes in such a way that adjustments are not always necessary when a person’s requirements change. This can reduce future costs associated with adaptation including, for example, fitting lever handle taps and baths with handles attached.

38. As a landlord operating in the Private Rented Sector, any Intermediate Rent landlord is required to make reasonable adjustments to accommodate a tenant with a disability. There are limited circumstances where a landlord can refuse to do this, including where this will make a property difficult to re-let, reduce its value or are too expensive to carry out etc. If an Intermediate Rent tenant requires adaptations to be made in their home, subject to eligibility conditions, this may be facilitated by applying to the Housing Executive for a Disabled Facilities Grant¹⁶ (DFG).
39. Where an Intermediate Rent home has been adapted and is being re-let, consideration should be given to letting that home to someone who requires similar adaptations where possible.

Eligibility for an Intermediate Rent Tenancy

40. To be eligible to apply for an Intermediate Rent tenancy, the head of household must be aged 18 years or over. Any adults named on the tenancy are those whose incomes are considered when eligibility is calculated. Intermediate Rent homes are not intended to be Houses in Multiple Occupation¹⁷. Therefore there may be a limit to the number of persons to be named on the tenancy. The Intermediate Rent landlord will ask applicants to supply them with information to confirm eligibility.
41. The applicant household's net income¹⁸ must not exceed £30,000 for a single adult household and £40,000 for a two or more adult household. As some tenants will be saving towards home ownership and other expenses, savings of up to £30,000 per household are permitted, with only the interest arising from such savings being considered as part of an income calculation. The source of the income can be from earned income, pensions (including private and state pensions) and social security benefits (excluding disability related benefits). Receipt of disability related benefits is intended to enable claimants to purchase things to assist them to manage their condition or to obtain support from someone to assist them. It is not appropriate to include this as income when assessing if a household is over the maximum income threshold, as this could result in them being excluded unfairly because of their disability. This income should be considered in an ability to pay rent assessment as obtaining an Intermediate Rent home may be one of the ways they decide to use the support they receive to manage their condition.
42. The sources of household income should not be considered as an eligibility factor, and applicants should not be precluded from accessing a tenancy if they do not have any 'earned' income.

43. The Department will keep the income eligibility criteria under review. In reviewing rents during the course of a tenancy, Intermediate Rent landlords may wish to engage with their tenants regarding their ability to pay rent on an ongoing basis. If tenants have not been experiencing rent arrears both parties may deem this unnecessary. There will be no requirement for a re-assessment of household income for eligibility purposes once an Intermediate Rent tenancy is in place.

Setting of Rents for Intermediate Rent tenancies

44. Intermediate Rents must be set at a discount of at least 20% on average local market private rents, at the time of letting, for a similar property type and size. To maximise affordability, rents should be set at as close as practical to Local Housing Allowance¹⁹ levels, subject to viability. When rents are uprated during a tenancy or if rents are rebased once a tenancy ends (prior to a new tenancy starting) rents must remain at not more than 80% of market rents for a similar property type and size within a locality.
45. In setting rents, an Intermediate Rent landlord should refer to any material published by the Housing Executive on behalf of the Department about market rents. The Department will also consider what additional data can be collected or published in terms of rent setting guidance on a regular basis. The Housing Executive will publish data on an annual basis reflecting average private rented market rents. Other sources of information on market rent levels are publicly available²⁰.
46. In addition to the material published by or on behalf of the Department, any Intermediate Rent landlord should seek confirmation, at time of letting, of local average market rents for similar type / size of units from a suitably qualified professional (e.g. a RICS certified surveyor). Evidence should be retained and may be requested by the Department or Councils.
47. A household should not normally pay more than 30% of their net income on rent costs (including service charges). Based on current income eligibility criteria (at March 2023), initial Intermediate Rent rents would be capped at a limit of £750pcm for a single adult household or £1,000pcm for a two or more adult household.
48. In **exceptional** circumstances, e.g. where an applicant can demonstrate that a higher percentage could improve rental affordability for them, a household may pay up to 40% of their income on rent costs, subject to also demonstrating an 'ability to pay rent'.

Uprating of Intermediate Rent costs

49. Rents must not be uprated (increased) before 12 months of a first tenancy have elapsed and, thereafter, on not more than one occasion in any 12-month period. The landlord may decide to not implement a rent increase in any year.
50. Intermediate Rent landlords should carefully consider whether a rent increase is required. Where an Intermediate Rent landlord decides to increase rent, it must not increase by more than CPI²¹ + up to 1%. Intermediate Rent landlords should seek to minimise the impacts of inflationary fluctuations and should aim to cap any such uprating at not more than 5% in any year. Following any uprating rents must remain at not more than 80% of market rents for a similar property type and size within a locality.
51. Tenants must be notified of any rent changes at least 3 months before the effective date. Where relevant, tenancy agreements and any guarantor agreement should specify the uprating arrangements, including any notice period. The tenant, where they cannot afford or do not agree with the uprating, may choose to end the tenancy, and move on, exercising an appropriate break clause to permit this. The Intermediate Rent landlord should seek to offer information and advice to assist transition.
52. Any rental increase should be supported by evidence to exemplify why the increase is required. Any such uprating should be limited to covering the costs associated with operating the properties and tenancies. When rents are uprated, the new rent must not exceed 80% of the average market rent for a similar property type or size for the location.
53. Rents may be re-set, with reference to open market rents, only once a tenancy has ended. Rents may be reduced, where the Intermediate Rent landlord can do so whilst ensuring the viability of the scheme.

Intermediate Rent landlords will develop processes and procedures around advertising properties, assessing applications, and offering tenancies.

These processes should be fair, clear, and transparent, and be publicly available for review.

The following sections seek to provide suggestions, based on existing best practice.

Offering an Intermediate rent tenancy: Advertising and Applications

Advertising an Intermediate Rent property

54. Intermediate Rent dwellings should be widely advertised (e.g. online, in print media, with an agent etc). The income eligibility criteria must be clear in any such advertising.
55. Consideration should be given to the operation of a mailing list for prospective tenants. This will allow interested parties to be informed if properties in their location of interest are becoming available.
56. The application process should be made accessible for everyone, including people who require additional assistance.
57. Any costs associated with advertising Intermediate Rent properties, undertaking viewings, or processing applications (including any associated checks), must not be passed on to the tenant.

Tenancy Application process

58. Any landlord (or agent) offering Intermediate Rent homes should ensure that the application process is as fair as possible and offers equality of access. This may be achieved by operating an online service with accessible options available by phone / post and in-person where needed. The application process must be accessible to all, with paper versions of application forms provided to those without online access.
59. It would be advantageous for Intermediate Rent landlords to have an online presence with functionality to allow an interested party to obtain details of the scheme / property, join a mailing list and apply for a property. Self-service calculators to assist in the calculation of income and ability to pay rent are a useful tool which Landlords may wish to consider making available to help manage expectations and reduce the number of ineligible applications.

60. Intermediate Rent landlords (or their agents) should undertake an assessment of potential tenants' ability to pay rent before offering an Intermediate Rent tenancy. The landlord may request a range of documents to support this assessment, for example evidence of income. Any such requests must be reasonable (e.g. evidence of income in the form of payslips or bank statements for the preceding three months). The landlord must ensure that those accessing the scheme are eligible to do so in terms of household income, have demonstrated an ability to pay rent. The property offered must offer the number and size of bedrooms reasonably required by the Applicant's household and all others residing in that accommodation²².
61. Intermediate Rent landlords can request that tenants provide references from a previous landlord, employer or person of suitable standing who is known to them. The number and type of references to be provided will be determined by the landlord based on an applicant's circumstances.
62. The Intermediate Rent landlord may conduct credit checks, if they deem it necessary, but the costs for conducting a check must not be passed to the applicant. The landlord may request a guarantor by exception when they determine this is warranted.
63. Applicants can be asked to provide details of whether they are on the Social Housing Waiting list and the points awarded but may not be compelled to do so. As part of the application process, applicants must be made aware that accepting an Intermediate Rent tenancy may have an effect on their position on the list and to contact the Housing Executive for more information.
64. In offering an Intermediate Rent tenancy, landlords can use either a 'first come first served' or random selection process to offer the property for rent. The final details of the random selection process will be for the landlord to determine. If it is expected that there will be significant interest in the scheme / a property, landlords should clearly outline the selection process to prospective tenants. At no stage should upfront or inflated rental payments be used as a method to differentiate between prospective tenants.

65. Landlords are not obliged to offer anyone a tenancy, but in offering a tenancy, they cannot discriminate based on whether a person belongs to one of the Section 75²³ equality categories, for example, they cannot reject someone who is a woman because they only want to rent to men. Landlords are also prohibited from taking into account the applicants' income sources when offering a tenancy. Landlords may wish to advise unsuccessful applicants why their application has not been successful and may make available information on independent sources of advice which the applicant may find useful in accessing alternative accommodation.
66. An appeals procedure or a complaints process to deal with issues which emerge from the application process, should be implemented. Information must be made available to those who use the application process on how to raise an issue.

Offering an Intermediate Rent tenancy: "Ability to pay rent" checks

67. In considering an application for an Intermediate Rent tenancy the Intermediate Rent landlord should consider the applicant tenant's ability to sustain their rental payments. Tenants should have sufficient budget remaining after their housing costs to adequately cover their other living costs. Intermediate Rent landlords should undertake Ability to Pay Rent assessments prior to offering a tenancy.
68. It is recommended that Intermediate Rent landlords use net income in assessing an applicant's eligibility and assessment of their ability to pay rent. The Department will keep this policy, including the check on ability to pay rent, under review. The income to rent ratio maximums (as set out above) should be applied.
69. Those on the lowest incomes may find it difficult to demonstrate 'ability to pay rent' at rent to income ratios over 25%, as this could place the household further into financial hardship. The checks to determine the applicants' ability to pay rent should consider this for the lowest income households.
70. The rent cost advertised should incorporate any services charges applicable and, if rates are a separate cost, it should be clearly detailed. Any additional service charges or other charges (such as domestic rates) not covered by the rent, should be considered as part of the ability to pay rent determination, and clearly outlined to the applicant tenant(s) before they accept a tenancy and be detailed within the tenancy agreement. Any adjustment or increase to any such additional charges may be dealt with separately from rent charges.

71. Landlords may undertake certain checks (such as a credit check, checks on references and, where necessary, guarantors). Landlords should be amenable, where references from a previous landlord are not available²⁴, to accept employer and personal references²⁵.

Intermediate Rent Tenancy Documents and Tenancy Deposits

72. Tenants must be provided with a rent book and a written statement of tenancy terms. It is recommended that tenants are provided with a written tenancy agreement²⁶ and an inventory before they move in. The statement of tenancy terms must set out the rights and responsibilities of both the tenant and the landlord including:

- The duration of the tenancy
- The initial rent payable
- Service charges, rates, and any other charges
- Procedures for rent review
- The landlord's responsibilities for repairs and maintenance, covering structure and interior, installations, access, and insurance
- The tenant's responsibilities for repairs and maintenance, covering miscellaneous repairs, notice of repairs, interior, neglect, and gardens
- Procedures for ending the tenancy including information on notice to quit periods

The landlord should also give the tenant a copy of the appropriate gas safety certificate (if there is gas heating or gas appliances at the property), and any fire and carbon monoxide detection certification as required and comply with the regulations concerning energy performance certificates.

73. Where a tenancy deposit is requested, this must be no greater than the equivalent of one month's rent. The tenant may request to pay the deposit over a 6–12-month period from the beginning of the tenancy. In line with regulations, deposits must be protected by the landlord or their agent in a registered scheme and information provided to the tenant about how they have been protected. At the end of a tenancy, the deposit shall be returned if there are no issues. Arbitration by the Deposit Scheme will be conducted if the landlord seeks to recover some of the deposit to cover damage / unpaid rent etc.

74. Joint tenancies are permitted in Intermediate Rent homes. Tenants in Intermediate Rent homes must notify their landlord where they wish to have a permanent²⁷ new occupant join their household (i.e. not listed on their application) or if one of the joint signatories of the tenancy agreement is leaving. The landlord may conduct an ability to pay rent assessment at this point and may seek references for any new member of the household who will be responsible for rent before agreeing any changes.

Intermediate Rent Tenancy Duration

75. Intermediate Rent tenancies are expected to last longer than other private tenancies but are not “secure” tenancies and are therefore timebound. Tenants should be offered an initial tenancy of up to five years in length, subject to the agreement of the landlord and tenant. Tenants should be given the option to renew that tenancy for one or more additional periods (subject to the agreement of the landlord and tenant). Tenants accepting a tenancy for an Intermediate Rent home should carefully consider their long-term plans. A tenant may request a tenancy of less than 5 years, subject to agreement with their Intermediate Rent landlord.
76. When deciding to renew an Intermediate Rent tenancy, the tenant and landlord must agree to the renewal. Issues to be considered would include affordability and there being no unresolved matters, for example, anti-social behaviour or arrears.
77. Discussions between the tenant and landlord regarding renewal should begin approximately 9 months before the tenancy is due to end. This gives the tenant and the landlord the opportunity to discuss the tenancy and to make alternative plans where necessary. The initial income eligibility criteria would not apply at the point of renewal so that the household is not penalised for improving their financial situation. Where a tenant’s income has reduced the landlord should work with their tenant to agree a suitable course of action, including providing advice.
78. When a tenancy is ending, tenants should consider their next steps and the Intermediate Rent landlord may provide information which may support the tenant to move on.

79. A fixed-term Intermediate Rent tenancy should be permitted to end earlier than the agreed term without penalty. Tenants and Intermediate Rent landlords would be required to meet the statutory Notice to Quit²⁸ periods as relevant, but tenants would not be compelled to remain for the five-year term. Any fixed term 5-year tenancies should include a suitable break clause²⁹, which would allow either party to end the tenancy early (subject to observing Notice to Quit periods) if circumstances change or require it, exercisable after the first six months of a tenancy. This should include a break clause in the tenancy agreement which permits the tenant to end the tenancy early without having to pay the remaining rent until the end of the 5-year contract. The break clause should also permit the landlord to end the tenancy early, but this must only ever be used in exceptional circumstances, which should be clearly communicated within the tenancy terms or within the tenant handbook.

Repairs and Maintenance

80. Intermediate Rent landlords must make provision for prompt and effective repairs, particularly for emergency repairs relating to heating, lighting, electrical and gas, water supply, flooding, and structural damage to properties. Tenants must be made aware of any repairs or maintenance they will be responsible for.
81. Intermediate Rent landlords should set clear target response times for repairs, guided by the response times set out in the Housing Association Guide³⁰ which provide appropriate response times for emergency, urgent, or routine works. Repair response times should be categorised as emergency, urgent or routine. Landlords may consider categorising a repair at a higher level if the tenant is vulnerable or in distress.
82. The tenant should be given clear information on how to report a repair need and the expected target timescales for action. Tenants should be able to report repairs by telephone, in writing (e.g. by email, through an app or website) and in person to their property manager. The landlord should agree in advance, and with reasonable notice, with the tenant how the property will be accessed, by whom and when, to facilitate repairs and maintenance works.

83. Intermediate Rent landlords should sympathetically consider tenants' requests to keep pets, subject to certain safeguards, as pets can provide a positive influence for many households. Landlords should favourably consider allowing tenants to have pets, subject to the tenant seeking written permission and the pet or pets being of a type and number which is suitable for the accommodation. Landlords must not refuse permission for a tenant to keep an assistance dog. Any decision on pets should take account of the limitations of property size and layout. No additional deposits are permitted to be taken for properties in which tenants keep pets.
84. Tenants shall be responsible for the cost of repairs arising from any damage caused by them, members of their household, pets, or visitors. The tenant shall not undertake decoration or works to the fabric of the building without first agreeing this with the landlord. Routine property maintenance, such as external paintworks, grounds works (as applicable) etc, should be planned at a frequency which ensures that Intermediate Rent properties are made available and maintained to a high-quality standard.
85. Intermediate Rent properties must be safe and secure for their occupants. At a minimum, properties must meet the statutory housing fitness standard requirements³¹ at all times. Landlords are advised that good quality, well maintained properties are essential. As such, landlords should seek to exceed the minimum fitness standard. The Decent Homes standard³² may offer a suitable model to ensure that tenants can benefit from a high-quality, well-maintained home.
86. Landlords must adopt the statutory electrical safety, gas safety, smoke, and carbon monoxide detection measures for private rented properties. These are set out in the Private Tenancies Act (Northern Ireland) 2022³³ and Private Tenancies (Northern Ireland) Order 2006³⁴.

Tenancy Support Services and Tenant Handbook

87. It is good practice for landlords to provide tenants with a handbook to assist with successfully sustaining their tenancy. This should be in hard copy and can be supplemented with an electronic version. The tenancy handbook should set out information which can help tenants effectively manage their home and their tenancy. It should provide information on a tenant's rights, the responsibilities of both the tenant and the landlord, rent payment arrangements, staying safe in the home, how the fixtures and fittings of the property operate, how to report a repair or maintenance issue, how to access support services, and what to do in an emergency. Tenants should, as best practice, be provided with a walk through of the property when they move in and advised how to operate key features, isolate gas, electric and water etc.
88. Intermediate Rent landlords should seek to work with their tenants to address issues around rent arrears, making and recording all reasonable efforts to engage with the tenant to rectify this before moving towards eviction proceedings.
89. Anyone acting as an Intermediate Rent landlord will wish to support their tenants by conducting welfare checks, property management checks, and providing information on what to do if there is a problem at the property or a problem paying rent or other charges. A record of support required and issues with the property should be made and follow up action taken.
90. The landlord should also provide signposting support to established services which applicants or tenants may derive assistance from, for example, the Department's Make the Call service (for benefits checks and advice), the local Environmental Health Office, Housing Rights, AdviceNI etc. The tenant handbook, as well as the landlord / their agent's online presence, should provide details on how tenants can access these services. Information should be provided to ensure that tenants who may need adaptations for a range of reasons are provided with the right support to have the required changes made to their home and that, on an ongoing basis, their home continues to meet their needs.

91. Intermediate Rent landlords should develop tenancy guidance, which will be referred to in the tenant handbook. This should include topics such as:
- Anti-Social Behaviour / Domestic Abuse
 - Complaints Process
 - Eviction
 - Property Abandonment
 - Rent Collection
 - Smoking and Vaping
92. It is recommended that, where things go wrong, the landlord and tenant should try to work together to put things right and where appropriate access a mediation service. Where things cannot be resolved and a landlord is considering initiating eviction proceedings, they should document the actions taken which have culminated in eviction. The decision to evict should always be an action of last resort.

The Responsibilities of an Intermediate Rent Landlord

93. Offering Intermediate Rent homes is a long-term financial commitment, which may be challenging as rents are offered at below market levels. In addition to the matters outlined above, anyone interested in offering homes as Intermediate for Rent will need to carefully consider the responsibilities that come with that role. Any person or organisation offering or seeking to offer Intermediate Rent homes should take advice on their financial position, including any tax implications, associated with the offering to ensure this remains viable over time.
94. Intermediate Rent landlords who let a property under a private tenancy must be registered under the Landlord Registration Scheme³⁵ and will be bound by all aspects of the regulatory framework in place for private tenancies.³⁶ Intermediate Rent tenants will benefit from all the rights applicable in relation to a private tenancy.

95. Intermediate Rent landlords should hold or have access to the requisite skill, experience, and capacity to:
- engage with the Housing Executive (as statutory authority for determining housing need) and Council Planning officers regarding Intermediate Rent housing requirements and the role that provision of Intermediate Rent homes can play in meeting local priorities
 - raise, work with, and manage funding and investment from a range of sources
 - ensure the successful acquisition of the site(s)
 - ensure completion of developments and units
 - properly market and advertise properties and, as applicable, work with others including an Intermediate Rent Operator to ensure that properties are let³⁷
 - ensure effective and efficient long-term management and maintenance of the homes
 - engage professionally and respectfully with their tenants
96. Landlords should ensure that suitable landlord / tenant relationships are in place to flag emerging issues and take remedial action at an early point. This should include a robust internal complaints mechanism, routine customer satisfaction surveys, and regular independent evaluation of service standards and outcomes.

Contact Us

The Department for Communities can be contacted for further information and clarification regarding the policy intentions and the content of this document by emailing the Department for Communities Intermediate Rent project team at:

AffordableRentBranch@communities-ni.gov.uk

Department for Communities, March 2023

Endnotes

- ¹ <https://www.nidirect.gov.uk/articles/private-rent-and-tenancies>
- ² It is recognised that market rents can vary between and within locations. In this context “locality” may include, for example, a particular postcode area, a town / village etc and any Intermediate Rent Landlord should be able to evidence what was used to determine market rent in the locality for the purposes of setting their Intermediate rents.
- ³ Any such funding conditions are likely to require any such Intermediate Rent homes to be retained as “Intermediate housing for rent” for a much longer period.
- ⁴ <https://www.legislation.gov.uk/nisi/2006/1459/contents>
- ⁵ <https://www.legislation.gov.uk/nia/2022/20/contents/enacted> Work is underway to bring forward the necessary regulations and guidance to give effect to certain provisions set down in this Act.
- ⁶ <https://www.nidirect.gov.uk/articles/landlord-registration-scheme>
- ⁷ <https://www.legislation.gov.uk/nia/2022/20/section/1/enacted>
- ⁸ A model tenancy agreement can be found on the DfC website <https://www.communities-ni.gov.uk/publications/model-tenancy-agreement>
- ⁹ <https://www.legislation.gov.uk/nisi/1992/1725/contents>
- ¹⁰ A subsidiary of a Registered Housing Association (RHA), operating for the purpose of offering private rented accommodation, may be involved in the delivery of Intermediate Rent either as a single entity or as part of a joint venture. RHAs may not own or let properties as Intermediate Rent homes under the current legislation.
- ¹¹ Article 3 of the Private Tenancies (Northern Ireland) Order 2006 defines what a private tenancy is and sets out who is eligible to offer private tenancies.
- ¹² The report prepared by CaCHE for DfC (<https://www.communities-ni.gov.uk/consultations/consultation-intermediate-rent-development-policy-and-model>) indicated that (at 2020/21) certain Local Government Districts had a gap of 24% or more between Housing Association rents and market private rents. These LDGs were Belfast City Council, Derry City & Strabane District Council, Lisburn & Castlereagh City Council, Ards & North Down Council.
- ¹³ This can include dwellings which are designed with the purpose of being offered as Intermediate Rent homes, or dwellings which have been recently (within the past 12 months) been built and are acquired to be offered as Intermediate Rent homes.

- ¹⁴ <https://www.communities-ni.gov.uk/articles/housing-association-guide>
- ¹⁵ Intermediate Rent homes designed for Wheelchair users should meet the DfC Wheelchair housing standard set out in the Housing Association Guide <https://www.communities-ni.gov.uk/articles/housing-association-guide>
- ¹⁶ <https://www.nihe.gov.uk/housing-help/grants/types-of-grants-available/disabled-facilities-grant>
- ¹⁷ In the HMO Act 2016 the meaning of a “house in multiple occupation” is a building or part of a building that is classed as living accommodation occupied by three or more persons who are all not members of the same family or of one or other of two families; in specific types of accommodation; with use of prescriptive basic amenities.
- ¹⁸ Net income comprises of income from pensions, dividends, savings interest, benefits, child maintenance payments, received and earned income (gross income less tax, national insurance, and pension contributions but no other deductions such as Union fees, workplace memberships, childcare vouchers, child maintenance deductions etc).
- ¹⁹ <https://www.nihe.gov.uk/housing-help/housing-benefit/local-housing-allowance>
- ²⁰ Information on market rents is available via a range of sources including the Ulster University and NIHE Rental Price indices, Propertypal’s Market Trends reports, and websites such as <http://www.home.co.uk> and <https://homelet.co.uk/homelet-rental-index>
- ²¹ The uprating formula relates to the Consumer Prices Index (CPI) published by the Office for National Statistics for the immediately preceding September.
- ²² Intermediate Rent landlords may wish to refer to the rules regarding overcrowding contained in the Housing Selection Scheme <https://www.nihe.gov.uk/getattachment/b997e1f4-969f-467b-9e91-03f77c1c6ae9/Housing-Selection-Scheme-Rules.pdf>
- ²³ Section 75 equality categories can be reviewed here <https://www.legislation.gov.uk/ukpga/1998/47/section/75>
- ²⁴ For example, where the applicant tenant is a first-time renter rather than where a previous landlord has refused to provide a reference.
- ²⁵ This may be subject to certain exclusions, for example personal references would not be acceptable from a family member or from someone with whom the applicant tenant is in a relationship, or someone who is not resident in the UK / Ireland for who it may be impossible to reliably verify the reference.
- ²⁶ A model tenancy agreement can be found on the DfC website <https://www.communities-ni.gov.uk/publications/model-tenancy-agreement>
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- ²⁷ “Permanent” in this context would reflect any occupant aged over 18 years who does not have access to an alternative primary residence, meaning the Intermediate Rent home is their sole place of residence.
- ²⁸ Notice to Quit requirements are detailed: **<https://www.nidirect.gov.uk/articles/private-rent-and-tenancies>**
- ²⁹ A break clause allows both the tenant and landlord to give notice to end the tenancy early. In most cases a break clause can only be exercised on or after a certain date has passed.
- ³⁰ **<https://www.communities-ni.gov.uk/housing-maintenance>**
- ³¹ **<https://www.communities-ni.gov.uk/minimum-fitness-standards>**
- ³² **<https://www.communities-ni.gov.uk/decent-homes-standard>**
- ³³ **<https://www.legislation.gov.uk/nia/2022/20/contents/enacted>**
- ³⁴ **<https://www.legislation.gov.uk/nisi/2006/1459>**
- ³⁵ **<https://www.nidirect.gov.uk/articles/landlord-registration-scheme>**
- ³⁶ **<https://www.nidirect.gov.uk/articles/private-rent-and-tenancies>**
- ³⁷ Intermediate Rent properties should be marketed and advertised in a range of media for a reasonable timeframe to permit the properties to be let. Evidence of the advertising and marketing efforts should be retained for review by Council and Departmental officials as required.

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