

1. Purpose of this policy

- 1.1 This policy aims to create an appropriate and balanced approach to right-sizing within Andium Homes social rented housing stock.
- 1.2 In line with the Minister for Housing's published Right-Sizing Policy [Right-sizing Policy from the Minister for Housing.pdf \(gov.ie\)](#) this policy considers:-
 - The level of rent an under-occupying tenant may be currently paying and what the rent will be in a new, smaller, property;
 - What this means as a financial impact upon the tenant; and
 - Honouring existing rents; offering a fair and manageable "stair-cased" rent deal or introducing other measures that will incentivise and support right-sizing moves.

2. Scope

- 2.1 This Policy applies to all social housing rents charged by the Company for all the social housing properties it owns.

3. Governance Responsibilities

| Member | Governance Role |
|--------------------------|--|
| The Board | <ul style="list-style-type: none">• Accountable for ensuring that an appropriate Policy is in place and that this addresses the Company's strategic priorities and aligns with Housing Ministers policy objectives |
| Finance Lead | <ul style="list-style-type: none">• Approving rent transitional arrangements• Ensuring compliance with this policy and maintaining a log of exceptions to the process as set out in this policy |
| Sales & Lettings Team | <ul style="list-style-type: none">• Responsible for ensuring that rents are set and charged in accordance with this Policy |
| Head of Sales & Lettings | <ul style="list-style-type: none">• Recommending rent transition proposals relating to individual tenancies |
| All Colleagues | <ul style="list-style-type: none">• Responsible for ensuring that they are aware of this Policy and adhere to it within delivery of their defined elements of the business |

4. Policy Principles

- 4.1 Andium Homes undertakes regular right-sizing opportunities as part of its capital programme, re-housing projects, and sales.
- 4.2 Occupancy levels are confirmed at the commencement of all new tenancies, and when clients must move due to a redevelopment or refurbishment project, they are only offered new homes that match their housing needs.

- 4.3 Half of Andium's current stock cannot be under-occupied as they are studio and one-bedroom homes. A third of Andium's stock are two-bedroom homes, where there is currently an oversupply and therefore not a priority at this time for right-sizing.
- 4.4 60% of Andium tenants are in receipt of Income Support, which provides a financial incentive for tenants to down-size when they need to, through reduction in the benefit, but protects them from any increase in rent they may be subject to on transferring to another home.
- 4.5 Andium holds good data on occupancy levels and can focus right-sizing where it most benefits our clients and our business.
- 4.6 There can be negative consequences of mass right-sizing measures, which can unsettle communities and create tenancy management challenges where family estates are fully occupied. Maintaining strong communities is always a consideration.

5. Rent transition for down-sizers

- 5.1 Andium Homes currently focuses down-sizing opportunities in order to release 3+ bedroom homes which are in high demand for families registered with the Affordable Housing Gateway and Assisted Purchase Pathway. Ensuring these homes are appropriately occupied is therefore a priority for the Company. This policy will be used to incentivise a move at a time that is right for the household.
- 5.2 It is accepted however, that one of the barriers to clients agreeing to down-size is the impact it can have on the rent they pay. Under the current States Social Housing Rent Policy, tenants are immediately moved to the 80% rent at the time they sign a new tenancy agreement. For some tenants, who have occupied their home for many years, this could create significant rent increases, even when moving to a smaller home.
- 5.3 The Company therefore offers "rent transition" where this is a reality for a client needing to downsize. The "rent transition" is only applicable if:-
 - The client is not in receipt of any financial assistance from Income Support;
 - The client is facing an increase in rent on moving to a smaller home.
- 5.4 Where right-sizing to a smaller home creates an increase in the rent due from the tenant which will not be met by Income Support, the "rent transition" will set the new tenancy rent at the same level as the existing tenancy, and introduce a "stair cased" transition to the new tenancy 80% rent (adjusted for annual increases) over a period of no more than 3 years, ensuring the timeframe is fair and manageable for the client.
- 5.5 Where a "stair cased" transition is agreed with the tenant, the arrangement will be clearly shown in their new Tenancy Agreement. An example for a one bedroom property is shown below:-

Right-Sizing Policy

| Your current 64% of market Monthly Rent | Your new 80% of market Monthly Rent | Monthly Rent from 1 st January 2026 | Monthly Rent from 1 st January 2027 | Monthly Rent from 1 st January 2028 |
|--|--|---|---|--|
| £788.63 | £1102.50 | £893.25 (plus, any inflationary annual uplift capped at a max of 4%) | £997.87 (plus, any inflationary annual uplift capped at a max of 4%) | £1102.50 (plus, any inflationary annual uplift capped at a max of 4%) |

- 5.6. The rent transition process outlined in this policy sits outside of the Social Housing Rents Policy and Annual Rent Adjustment Policy, as it effectively acts as a subsidy for the household to staircase up to the target rent.

Board Approved date: 27th November 2024

Review date: 27th November 2026 (or earlier if demand for 2-bedroom properties increase)