

# **HOUSING (AMENDMENT) BILL**

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## **EXPLANATORY AND FINANCIAL MEMORANDUM**

### **INTRODUCTION**

1. This Explanatory and Financial Memorandum has been prepared by Colm Gildernew MLA (the Bill Sponsor) in order to assist the reader of the Bill and to help inform debate on it. It does not form part of the Bill and has not been endorsed by the Assembly.
2. The Memorandum needs to be read in conjunction with the Bill. It is not, and is not meant to be, a comprehensive description of the Bill. So, where a clause or part of a clause does not seem to require an explanation or comment, none is given.

### **BACKGROUND AND POLICY OBJECTIVES**

3. Homelessness is a complex and multi-faceted issue, which goes beyond the absence of a physical home. Not only is it an issue which affects our Housing system, it also impacts on our Health, Education and Justice systems, making it a truly cross-cutting issue. Homelessness has severe impacts on individuals, including poorer physical and mental health, increased substance use, and social isolation. It also affects children's development, education, and long-term life chances. For adults, it creates barriers to finding employment and maintaining relationships, making it a cycle that is difficult to escape, and it significantly shortens life expectancy.<sup>1</sup>
4. Homelessness can be triggered by many different causes, oftentimes unexpectedly, with the Housing Bulletin covering January – March 2026<sup>2</sup> showing that the most common reasons for homelessness are: accommodation being deemed “not reasonable” (29.8%), relationship breakdowns within families (18.9%), loss of rented accommodation (14.6%) and domestic abuse (12.3%), with loss of rented accommodation having increased as a reason when compared with the previous Bulletin.
5. According to the Housing Bulletin, the number of applicants on the Northern Ireland Housing Executive (NIHE) waiting list as at 31 March 2026 was 50,381. Of these, 39,008 households were in ‘housing stress’ and 33,412 had Full Duty Applicant (“FDA”) status meaning they are considered statutorily homeless. Research commissioned by the Simon Community and reported on in 2024 suggests that the true

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<sup>1</sup> <https://community.solutions/research-posts/the-costs-and-harms-of-homelessness/>

<sup>2</sup> <https://datavis.nisra.gov.uk/communities/northern-ireland-housing-bulletin-january-march-2026.html>

number of individuals who are homeless could be as high as 80,000, after the “Hidden Homeless” i.e. those who are currently outside the system are factored in.<sup>3</sup>

6. It is widely accepted that an adequate supply of social and affordable housing is fundamental to addressing homelessness. In 1996, the NIHE lost the ability to borrow and as a result stopped building social homes altogether, and the Housing Associations were not able to sustain the level of new builds that had previously been overseen by the NIHE.
7. Another factor which has had a detrimental impact on the social housing stock is the Right to Buy scheme. This scheme, which was first introduced as the “House Sales Scheme” by Margaret Thatcher in 1979, initially applied only to NIHE properties, until 2004, when it was extended to Housing Association properties as well. The scheme allowed social housing tenants to purchase their homes at a discount rate, provided they had lived in the property for a continuous period of 5 years.
8. A report produced by the NIHE in 2019 analysed the impact that right to buy has had on the overall social housing stock in the North.<sup>4</sup> The report shows that in the 1970s, before the scheme was introduced, social housing made up roughly 34% of the total housing stock in the North. By 1991, after 12 years of the scheme this had fallen to 28% of the total stock, and by 2019, almost 2 decades after the NIHE had stopped building homes, with the focus shifted towards Housing Associations, the total social housing stock represented only around 15% of all housing.
9. During this time, 122,946<sup>5</sup> social homes have been sold off under the scheme since its introduction, with the current number of social homes in the North, being 142,596.<sup>6</sup> “Right to Buy” was scrapped in Scotland in 2016, and in Wales in 2019, however it currently remains in place in England and in the North, with an average of 400 NIHE properties being sold every year under the scheme. The current Minister for Communities has not indicated that he will end the scheme. New housing completions in total, which includes both private and social housing, reached a 60-year low in 2023<sup>7</sup>, with only 5,379 new homes being built that year, despite the Housing Market

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<sup>3</sup> <https://viewdigital.org/80000-people-now-homeless-in-northern-ireland-say-simon-community-in-shocking-new-findings/>

<sup>4</sup> <https://www.nihe.gov.uk/getattachment/19ee114c-6e00-4702-b4fb-386837a72c9a/House-Sales-Scheme-Report.pdf>

<sup>5</sup> [https://simoncommunity.org/assets/pdfs/What-we-think-about-The-House-Sales-Scheme.pdf?utm\\_source=chatgpt.com](https://simoncommunity.org/assets/pdfs/What-we-think-about-The-House-Sales-Scheme.pdf?utm_source=chatgpt.com)

<sup>6</sup> <https://www.communities-ni.gov.uk/sites/default/files/2025-11/dfc-proposals-for-the-review-of-the-decent-homes-standard-consultation.pdf>

<sup>7</sup> <https://www.bbc.co.uk/news/uk-northern-ireland-68294264>

Symposium projecting that the North needed to build on average 7,200 a year to keep pace with demand.<sup>8</sup>

10. The lack of overall housing supply has pushed up house prices to a 17 year high<sup>9</sup>, and average rents have increased by 56.4% over the last decade.<sup>10</sup> This lack of social and affordable housing has created a huge level of demand for social housing. With fewer houses available for allocation, this means that households can face unacceptably long waits to be housed, with the average waiting time now over 4 years.
11. The lack of social and affordable housing has also placed huge pressure on the demand for temporary accommodation. The NIHE has a homelessness duty to provide temporary accommodation to both those who are statutorily homeless and in priority need, and those who are undergoing assessment and are believed to be homeless and in priority need. The NIHE uses a mixture of private single lets, as well as a limited number of their own stock as temporary accommodation. As a last resort, the NIHE will house individuals in non-standard accommodation such as hotels, and Bed and Breakfast accommodation (B&Bs), at great expense. From 2017 to 2024, the number of households availing of private single let temporary accommodation per night rose from 1,200 to 2,900, whilst the number of households in non-standard temporary accommodation such as hotels or B&Bs rose from only 20 to over 400.<sup>11</sup>
12. This huge increase in the number of people being temporarily housed in hotels and B&Bs has come at great cost to the public finances, with the total costs of providing temporary accommodation soaring from £7.6 million in 2018/19 to £38.6 million in 2023/24, which means that over half of all homelessness expenditure is now spent on temporary accommodation alone (Northern Ireland Audit Office: Homelessness in Northern Ireland – Report).<sup>12</sup>
13. In March 2025, the Minister for Communities announced a new initiative which would see the NIHE purchase up to 600 homes over 3 years, to use as temporary accommodation units, in an attempt to reduce the reliance on costly hotel and B&B accommodation. The statistics above underpin the urgent need to build more social and affordable homes if we are to make any headway in tackling homelessness.

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<sup>8</sup> <https://www.communities-ni.gov.uk/sites/default/files/publications/communities/dfc-housing-market-symposium-report-2017.pdf>

<sup>9</sup> <https://www.bbc.co.uk/news/articles/cpq2jlwzqjgo>

<sup>10</sup> <https://www.nihe.gov.uk/getattachment/261bc488-ff28-4b27-89e4-3745ea4ed44f/Performance-of-the-Private-Rental-Market-in-Northern-Ireland-July-December-2024-summary.pdf#:~:text=The%20Northern%20Ireland%20rental%20market,from%20%C2%A3936%20in%202023.>

<sup>11</sup> [https://www.niauditoffice.gov.uk/files/niauditoffice/documents/2025-03/NI%20Audit%20Office%20Report%20-%20Homelessness%20in%20NI\\_1.pdf](https://www.niauditoffice.gov.uk/files/niauditoffice/documents/2025-03/NI%20Audit%20Office%20Report%20-%20Homelessness%20in%20NI_1.pdf)

<sup>12</sup> <https://www.niauditoffice.gov.uk/publications/homelessness-northern-ireland-report>

14. The Programme for Government 2025-2027 has identified providing more social, affordable and sustainable housing as a key priority going forward, with a commitment to have started work on building at least 5,850 new social homes by the end of the current mandate. This commitment is consistent with the longer-term target set out in the Housing Supply Strategy<sup>13</sup> 2024 - 2039, which sets out a plan to build over 100,000 new homes over a 15-year period, with one third of them being social homes.
15. In this current mandate, the Executive has prioritised social housing, with the Minister of Finance allocating an additional £24 million to help enable the delivery of 1,400 houses in 2024 and a further allocation of £29.8 million to ensure the delivery of an additional 615 in 2025 and enable new starts on 1,750 homes.
16. By far the most effective way of tackling homelessness is by preventing it from happening in the first instance. Preventing homelessness is a much better outcome for the individuals involved as it avoids the trauma and suffering associated with losing a home, maintains a stable, secure environment to allow those individuals to rebuild their lives, promotes better physical and mental health outcomes, and increases overall well-being. It is also a more cost-effective way of dealing with the problem, as it is less expensive to prevent the problem than to deal with its consequences, which can be complex to solve.
17. The 2025 NI Audit Office report on homelessness reached a similar conclusion. The report said:

“There is a range of research which shows the considerable impacts of homelessness prevention on reducing both the personal and financial costs of homelessness. For example, a study by the homeless charity Crisis estimated that, on average, preventing homelessness for one year would result in a reduction in public expenditure of £9,266 per person.”
18. Homelessness Prevention is a key pillar of the NIHE’s “Ending Homelessness Together Strategy 2022-2027<sup>14</sup>.” The aim of the strategy is to “create a preventative environment where homelessness is rare, brief and non-recurrent. In focussing on homeless prevention we will seek to ensure that early preventions are the interventions of choice, services are person-centred and that homeless prevention is not seen only as a housing issue.” The Strategy identifies legislative changes as a key enabler to support the delivery of the aims and objectives contained within the strategy. It says:

“The homelessness legislation in Northern Ireland has remained largely unchanged since its introduction in 1988. The NIHE will seek to work with the Department for Communities and other key stakeholders to initiate a review of the primary legislation to consider changes, mirroring those made in other jurisdictions of the UK, in order to

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<sup>13</sup> <https://www.communities-ni.gov.uk/sites/default/files/2024-12/dfc-housing-supply-strategy-2024-2039.pdf>

<sup>14</sup> <https://www.nihe.gov.uk/getattachment/73313718-aa0e-4aae-b122-6573dcab88c7/Ending-Homelessness-Together-Homelessness-Strategy-2022-27.pdf>

place a statutory focus on the prevention of homelessness and provide more person-centred statutory homelessness services.”

19. During the second stage debate<sup>15</sup> of the Private Tenancies Bill<sup>16</sup>, which took place in late 2021, the then-Minister for Communities said that she had “asked officials to review the existing homelessness legislation to ensure that it is fit for purpose”.
20. At present, the Housing (Northern Ireland) Order 1988 places a statutory duty on the NIHE to support people threatened with homelessness. Articles 8 and 10 of the Order places a duty on the NIHE to provide housing to anyone presenting as homeless, whether it be on an interim basis, whilst an assessment is carried out, or on a permanent basis once Full Duty Applicant status has been confirmed. Article 11(2) of the Order stipulates that “Where the [NIHE] is satisfied that the applicant has a priority need and is not satisfied that he became threatened with homelessness intentionally, it shall take reasonable steps to secure that accommodation does not cease to be available for his occupation.” Article 3(6) of the Order stipulates that “A person is threatened with homelessness if it is likely that he will become homeless within 28 days from the day on which he gives written notice to the Executive that he is threatened with homelessness.”
21. Under the 1988 Order, the NIHE must support anyone threatened with homelessness within the statutory period through a range of methods, including providing advice, signposting to other advice agencies, assisting with sourcing alternative accommodation, whether it be temporary or private rental or help to resolve any disputes with landlords or family members.
22. In February 2026, the Public Accounts Committee of the Northern Ireland Assembly produced a report on Homelessness which called for a review of the current statutory duties, including the definition of “threatened with homelessness”. Recommendation 2 of that report is quoted below:

“The Committee recommends that the Department should work with the Housing Executive to explore options for strengthening homelessness prevention through the introduction of a statutory duty and bring forward proposals to the Minister within 12 months. In doing so, the Department should review and assess the impact of similar statutory duties in other jurisdictions, including those where the threat of homelessness duty afforded to households extends to at least 56-days.”
23. The aim of this Bill is to amend the definition of “threatened with homelessness” as set out in Article 3 of the Order so that it includes those people who are likely to become homeless within at least 60 days (rather than the current 28 days) from when they give written notice to the NIHE. The Bill Sponsor believes that the current 28-day period is not long enough, as quite often people will experience a housing related emergency,

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<sup>15</sup> <https://aims.niassembly.gov.uk/officialreport/report.aspx?&eveDate=2021/09/13&docID=348691#3590128>

<sup>16</sup> <https://www.legislation.gov.uk/nia/2022/20/contents/enacted>

such as being evicted, where they will have longer than 28 days to vacate the premises. For example, under the Private Tenancies Act 2022, private tenants must by law receive a notice to quit period of at least 56 days, if their tenancy has been in effect for longer than 1 year, yet the NIHE is not required to support anyone who receives a notice to quit letter until 28 days prior to the end of the notice to quit period.

24. Extending the period from 28 days to at least 60 days would legally require the NIHE to intervene at an earlier stage and the Bill Sponsor believes it would therefore increase the likelihood of a suitable solution being found. This is similar to legislation in other jurisdictions. The Housing (Wales) Act 2014 introduced a statutory duty on local authorities to prevent homelessness, making Wales the first region in Britain to adopt such a duty. The Act introduced a definition of “threatened with homelessness” which was: “A person is threatened with homelessness if it is likely that the person will become homeless within 56 days.”
25. In England, the Homelessness Reduction Act 2017 extended the definition of “threatened with homelessness” from 28 days to 56 days while the Housing (Scotland) Act 2001 then extended the definition of “threatened with homelessness” from 28 days to 2 months.
26. In the South of Ireland, Sinn Féin TD for Dublin Mid-West, Eoin O’Broin introduced a bill to the Dáil in December 2020, titled the Homelessness Prevention Bill which aimed to place a legal obligation on local authorities to provide people at risk of homelessness with a plan and appropriate supports to prevent them from entering homeless services. The proposed bill also created a legal definition of “at risk of homelessness” as someone who is likely to be made homeless “within 60 days”. Unfortunately, the bill lapsed without passing in November 2024, on the dissolution of the Dáil.
27. The Bill Sponsor believes that extending the period a person is considered threatened with homelessness from within 28 days to within 60 days will mean that the NIHE will be required to provide support to people who are threatened by homelessness at an earlier stage, thereby increasing the likelihood of preventing the person from becoming homeless.

## **CONSULTATION**

28. The Bill Sponsor consulted publicly, via an e-consultation, from 30 July 2024 for 14 weeks. A total of 174 responses were received from private individuals, including people currently experiencing homelessness, and from housing support organisations. 94% of respondents did not believe that the current 28 days provide adequate protection to those threatened by homelessness. 83% of respondents agreed with the proposal to extend the time period of the statutory duty on the NIHE to support those threatened with homelessness from 28 days to at least 60 days. 81% of respondents agreed that extending the time period whereby the NIHE must support people threatened by homelessness from 28 days to at least 60 days would have a positive impact in reducing

the number of people that fall into homelessness. Responses from individuals provided interesting themes and helped to structure engagement with other stakeholders.

29. In addition to the e-consultation, the Bill Sponsor engaged directly with a range of key stakeholders. Throughout the period of the consultation, the Bill Sponsor engaged with organisations such as Homeless Connect, Simon Community, Shelter NI, and Housing Rights. There was strong support amongst homelessness charities for the proposal, and a general recognition that whilst there may be some initial cost implications for the NIHE, the proposal would ultimately deliver savings in the long run by reducing demand for more costly crisis interventions and emergency accommodation.
30. The Bill Sponsor wrote to the Minister for Communities on 1 August 2024, to ensure that no legislation was being developed by his Department to achieve this policy objective. A written response from the Minister was received in which he indicated he had no plans to bring forward any legislation on this topic within this mandate.
31. The Bill Sponsor also wrote to the Equality Commission for Northern Ireland and the Northern Ireland Human Rights Commission on 1 August 2024.
32. The Equality Commission replied in December 2024. In its response, the Commission highlighted its response to the draft Programme for Government, where it welcomed actions to provide social, affordable, and sustainable housing, and particularly welcomed acknowledgement of the need to prevent homelessness for young people leaving care.
33. The Equality Commission also pointed out that it has longstanding recommendations for actions to address key inequalities, and advance equality of opportunity and good relations within housing. These include developing shared, safe communities based on equality, dignity and respect; ensuring that everyone has access to a sustainable home and enjoys the right to independent living.
34. The Human Rights Commission responded by seeking a meeting to discuss the proposed Bill. This meeting took place on Tuesday 17 September 2024. The Human Rights Commission confirmed that the proposal provided did not raise any concerns in relation to compliance with the European Convention on Human Rights. They also stated that it may go some way to meeting the state's obligations under the International Convention on Economic Social and Cultural Rights.
35. Although the Bill proposal was well supported, the NIHE expressed concern that the Bill would increase demand for temporary accommodation and would therefore have an overall negative impact on the homelessness sector.
36. During the consultation, the NIHE made the point that given the current extremely high demand on temporary accommodation, in the context of the chronic shortage of social and affordable housing, the bill would expand the duty on the NIHE to provide interim temporary accommodation to those who are threatened with homelessness, and this would create a significant amount of extra demand for temporary accommodation, and

could lead to an increased number of people being housed in non-standard accommodation, such as hotels and B&Bs, whilst also placing a greater financial strain on the NIHE's limited resources.

37. However, the Bill Sponsor believes that the benefits of providing support to people who are threatened by homelessness at an earlier stage outweigh any potential disbenefit, as the likelihood of preventing homelessness will be increased.

## **OPTIONS CONSIDERED**

**Option 1** – Do nothing, Continue with the status quo.

**Option 2** – To bring forward legislation to extend the time period under which the Northern Ireland Housing Executive has a legal obligation to support people threatened with homelessness from within 28 days to within 60 days.

Following consultation, advice and deliberation, the Bill Sponsor concludes that introducing and enacting primary legislation is the most appropriate and proportionate approach to reduce the risk of homelessness.

## **OVERVIEW**

38. The Bill makes a small change to the meaning of “threatened with homelessness” in the Housing (Northern Ireland) Order 1988. The Bill has three clauses, only one of which (clause 1) is substantive.

## **COMMENTARY ON CLAUSES**

### **Clause 1 - Definition of threatened with homelessness**

This is the only substantive clause in the Bill. At present, a person is threatened with homelessness if they are likely to become homeless within the next 28 days. The Bill changes this to within 60 days.

## **FINANCIAL EFFECTS OF THE BILL**

39. In terms of the financial effects of the Bill, some consultees pointed out that there may be an increase in the number of people who are eligible for temporary accommodation and the cost of providing this extra temporary accommodation may have some financial impact. In response to the consultation, the NIHE commented:

“In 2023/24, the overall cost to the Housing Executive for temporary accommodation was £34,395,077 which is a 360.3% increase from 2019/20 when the overall spending on temporary accommodation costs was £7,472,594. In 2023/24, 35.5% of the spend was on non-standard temporary accommodation. To introduce the proposed Bill, which would seek to extend the time-period for which the Housing Executive would owe a statutory duty (including the provision of temporary accommodation) would have detrimental financial implications on the Housing Executive.”

40. As well as the cost of providing temporary accommodation, the Bill may increase the overall casework for NIHE housing support staff. It may be the case that extra staff are required to ensure that the casework is completed to an effective and efficient standard, which could have some financial implications. The NIHE raised concerns around the potential for the Bill to create significant administrative difficulties. The Bill Sponsor does not believe it will increase it to such a level that it becomes unmanageable and acknowledges that this warrants careful scrutiny. The Bill Sponsor intends to engage on this in good faith as the Bill progresses.
41. It is difficult to quantify the impact the provisions within the Bill would have on existing housing supply although the Bill Sponsor believes that most people who contact the NIHE for assistance within the additional 32-day window will want to remain in their own tenancy. The extra time will give the NIHE more time to find other solutions so the numbers who actually avail of the temporary accommodation could be relatively low.
42. The Bill Sponsor believes that the 600 new temporary accommodation units should be more than sufficient to meet any extra demand created by the Bill. When announcing the scheme to purchase these homes, he stated that it could save £75 million over 7 years<sup>17</sup>.
43. However, the Bill Sponsor does not believe this will create any significant financial impacts, particularly in the context of the NIHE purchasing 600 new temporary accommodation units, which will reduce the reliance on non-standard temporary accommodation.
44. Overall, the Bill Sponsor believes this Bill will have a net positive financial impact as it will lead to more homelessness being prevented, which is the most cost-effective way of dealing with homelessness.

## **HUMAN RIGHTS ISSUES**

45. The provisions of the Bill are considered to be compatible with the European Convention on Human Rights and with Article 2(1) of the Windsor Framework. The

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<sup>17</sup> <https://www.bbc.co.uk/news/articles/ce8mlpv7z5po>

Bill is designed to enhance the statutory rights of those threatened with homelessness and therefore enhance Article 8 ECHR rights.

## **EQUALITY IMPACT ASSESSMENT**

46. In An Equality Impact Assessment (EQIA) has not been undertaken. The Bill Sponsor is satisfied that the Bill will not have an adverse effect on any of the groups identified in section 75 of the Northern Ireland Act 1998. Engagement between the Bill Sponsor and the Equality Commission on the outline proposal did not raise any potential adverse effects and suggested that the Bill may positively affect access to housing.

## **LEGISLATIVE COMPETENCE**

47. At Introduction the sponsor of the Bill, Colm Gildernew MLA had made the following statement under section 9 of the Northern Ireland Act 1998:

*“In my view the Housing (Amendment) Bill would be within the legislative competence of the Northern Ireland Assembly.”*





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