

Shared Accommodation for Under 35s:

Opportunities and Practical Advice

The shared accommodation workshop was an all day event at FRC Group on Wednesday 14th December 2016. The event was a practical, roundtable-style event aimed at housing professionals who were considering or had already started a pilot scheme of shared accommodation for under 35s.

End Furniture Poverty has produced two briefings which cover the several themes that emerged during the day.

This briefing looks at the practical advice that came out of the day for registered landlords who are considering providing shared accommodation.



Introduction

Providing shared accommodation for people under 35 is new territory for many registered providers. Although it may provoke some challenges for social landlords, it also presents an opportunity to house a group of tenants who have traditionally been underprovided for in the social housing sector. The success of the private rented sector (PRS) at providing shared accommodation for tenants such as young professionals and students shows that this model of tenancy provision is not impossible, and may even prove ultimately to make a surplus.

In the run up to April 2019, when the local housing allowance (LHA) cap will be implemented, it will be

important for providers with experience of this housing model to share good practice and pass on advice about pitfalls to avoid, so that mistakes are not made repeatedly, and to avoid the old adage of 'reinventing the wheel'.

The shared accommodation workshop featured two providers who have had experience of shared accommodation delivery: Debra Berry from Aspire Housing and Mike Rushton from St Vincent's, who provide the 'Snugbug' scheme. Both were honest about opportunities, what has worked for their schemes and what has not worked so well. The final speaker of the day was Neina Cave, an expert in furniture provision in shared accommodation. Their advice has been captured below; if you're interested in asking them more about their experiences, send us an email: info@endfurniturepoverty.org.

Opportunities

The providers who spoke at the shared accommodation workshop did give some reasons to be positive, and outlined some of the advantages and opportunities that exist for shared accommodation in the social housing sector.

Opportunity 1: High time to refresh the culture of social housing

One of the reasons why there has been a challenge for social housing organisations is because of the historical way that social landlords provide their housing.

The classic social housing model is:

- One home for one household
- Secure / assured tenancy

- Allocations scheme which is inflexible, unfriendly and unimaginative Large housing schemes
- Unfurnished accommodation
- Standard flats or houses
- Needs based

This model does not necessarily cater for the needs of the young people in our society. Amongst other things, the statistics for young people (under 25s) who do move into a tenancy in the 'classic model' show that:

- They are often not staying in tenancies for a long period of time
- Some are not able to furnish or carpet their houses
- They often leave, unplanned and suddenly, meaning that they will be saddled with a poor housing history in the future

It is clear that we need a new model for housing under 35s in the social sector, and the push to provide shared accommodation may well provide an opportunity for this.

Opportunity 2: A chance to improve the social and educational prospects of young people

Some advantages and opportunities for the social and educational prospects of young people sharing include:

- The learning of basic skills from the people who are sharing together
- Reduction in social isolation
- In the right environment, the creation of positive role models
- Certain schemes have shown benefits to other agencies, communities and employers such as higher attainment levels in school
- Tenants obeyed their tenancy agreements and took good care of their properties (contrary to

many expectations!)

Opportunity 3: A more effective use of housing stock

Using shared accommodation is a more efficient use of space because there are more tenants housed in a similar space. This means that shared accommodation can be cheaper and more sustainable.

Opportunity 4: Providing housing for those with a real need that is not currently being met

One of the speakers at the shared accommodation workshop was Mike Rushton from St Vincent's, who have been providing shared accommodation through their Snugbug initiative since 2012.

The original idea of Snugbug arose from a need for accommodation to fill the gap between people who were leaving the foyer in Manchester and were not able to access the PRS. This group:

- Often had no or limited access to deposits and / or guarantors
- Encountered reduced availability of social housing and one bed units
- Were often not quite ready for independent living but no alternative support was available

St Vincent's saw an opportunity to provide housing specifically for this group, as part of a sharing initiative called Snugbug. Initially they provided housing for 18-25s using 18 properties across the city from both St Vincent's own stock and those leased from other RPs.

Using the shared model, St Vincent's are able to offer a few distinct opportunities:

- Well located, nicely refurbished house
- Links with the Manchester Foyer to offer access to volunteering and work opportunities

Since 2012, the role of Snugbug as a ‘gap-filler’ which provides limited support to tenants moving on from the Manchester Foyer has been a success.

Challenges for Housing Providers

- Council tax collection – this is a key difference between the PRS and the social rented sector. PRS landlords are not legally responsible for collecting council tax, whereas social housing providers are responsible for it. The challenge for housing providers is to understand how to ensure each tenant pays their share of council tax.
- Paying the utility bill – should these costs be added to the rent automatically (which risks exceeding the LHA cap), or should the tenants have to pay for this separately? If separately, how do the tenants pay; through a meter, a lead tenant model, or some other system? Utility companies require a legal name of a person next to them on the bill. This may result in tensions between tenants.
- Shared accommodation schemes may be more costly to run and manage; the service charge can increase because shared tenancies are generally furnished, and the void rate and level of rent arrears can be higher than other general needs properties.
- Shared tenancies may require different allocation practices. For example, putting tenants together who share something in common (age, gender, working patterns, economic activity, etc) will be more likely to result in a successful tenancy.

- Tenants may require a culture change from their expectations of having an entire single bedroom flat to themselves.
- There may be some tenancy management issues around housekeeping and conflict in communal areas etc. These are manageable if you have robust tenancy management practices in place.



Advice for Housing Providers

Culture

- The LHA cap, as far as we know, will be imposed at some point (see our other briefing on Policy Context for more information). The need to provide a viable, sustainable option for under 35s is urgent so it’s important that housing providers face up to this.
- Think optimistically about the opportunity to provide shared accommodation. Whilst there are

understandably some reservations, negativity and pessimism will ultimately limit the opportunity for success of shared accommodation schemes.

Location

- Locations must also work for young people. If possible, choose a neighbourhood close to amenities, transport and colleges. It's also wise to select areas which do not already have a high density of shared housing (e.g. student housing etc). Select a property in an area that you know and understand so that you are aware in advance of any local issues.
- Think about the property types that are suitable for conversion – larger houses or 2-3 bed flats are suitable.

Property and tenancy management

- Provide furniture, at the very least in communal areas. The providers' experience was that the furniture was treated far better than they had expected.
- Provide locks on bedroom doors.
- Do not house friends together – if they fall out, there are potentially catastrophic consequences.
- Pre tenancy training is advisable. It will play an important role in getting tenants ready to move in, making them aware of their rights, and increasing tenancy sustainability. In the experience of the providers, it also played a useful role in managing tenants' expectations and understanding of how to behave in a successful shared scheme.

- If your shared accommodation property is an HMO, there will be important safety considerations around fire, gas and electrical appliances.
- Build in the initial cost of buying furniture and furnishings as an investment in the tenancy to reduce void loss, rather than a cost to be recouped through the service charge on the rent. This will help it to make more sense financially.
- Adopt a 'hands-off' approach with regards to internal tenancy management. Do not get involved with the housemate politics – this will become too costly.
- Carpet properties.
- Ban pets.
- One of the providers found it useful to give the jobs of tenancy support on one hand and rent collection / reducing arrears on the other to separate colleagues. If both of these jobs are given to the same individual, it is challenging to juggle the 'good cop / bad cop' personas that are required for each type of role.
- One of the providers charged tenants the same price across a whole property, regardless of the size of the individual bedrooms. Mostly tenants are happy with this situation if it is explained to them in advance. Sometimes tenants ask to move into bigger bedrooms in a property if one becomes void. The provider usually said no because the bigger bedrooms are easier to let, so reduce void time.

- It is useful to have a different set of tenancy conditions for shared accommodation. One of the most important conditions is to ensure that rooms are sole occupancy – partners or families are prohibited from staying over.
- One of the providers maintained all of the gardens as standard. They used to be under communal responsibility but the provider found that it was too expensive to incur the void cost and cut back the entire garden once the tenants left. It was actually cheaper to maintain them than to have to cut back the growth once the property became void.

Other

- If the housing provider has good links with a local training or apprenticeship provider, the shared accommodation scheme could partner up and create a connected service where young tenants gain access to training or job opportunities.
- Some opportunities for marketing your shared accommodation offer are: websites such as Rightmove and Spare Room and liaising with local universities.

Tips for using furniture in shared accommodation

The final session of the day was presented by Neina Cave, an expert in using furniture in successful furnished tenancy schemes. Some useful advice from Neina:

- Use contract standard furniture rather than

preloved furniture or furniture from a domestic supplier. If you are charging a service charge for the furniture and you are legally responsible for the furniture you need to consider the Health and Safety implications from an organisational point of view. You will also want furniture that will last the duration as having to replace it on a continual basis due to lower quality will have an impact of the financial viability of the scheme. For these reasons, contract furniture will last longer and be more useful for the tenant.

- Be aware of legalities around white goods, insurance and warranties. For example, white goods in some properties with over 4 residents will not be eligible for a warranty.
- Be savvy about insurance. You may find that it's cheaper to not buy insurance and cover the cost of any lost or damaged furniture yourself. For example, in a furnished tenancy scheme, it can be cheaper to add more security measures (identity stickers, pretenancy agreements etc) and replace any furniture that falls through the gaps rather than pay for annual insurance cover.
- It's important to make people aware of why they are receiving their furniture. The law will see you as housing some of the most vulnerable people, and may hold you responsible if the law finds anything wrong with your provision.



Conclusions

April 2019, the month of arrival of the LHA cap, is already well on its way. Though there is undoubtedly a challenge for housing providers to create a viable business model using the shared accommodation rate, the above opportunities and testimony of housing providers currently using shared accommodation with their tenants shows that there is a positive driver for the use of shared accommodation within the social sector in providing a better housing service for some of the most vulnerable tenants in social housing.

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