

Housing Practitioners' Conference



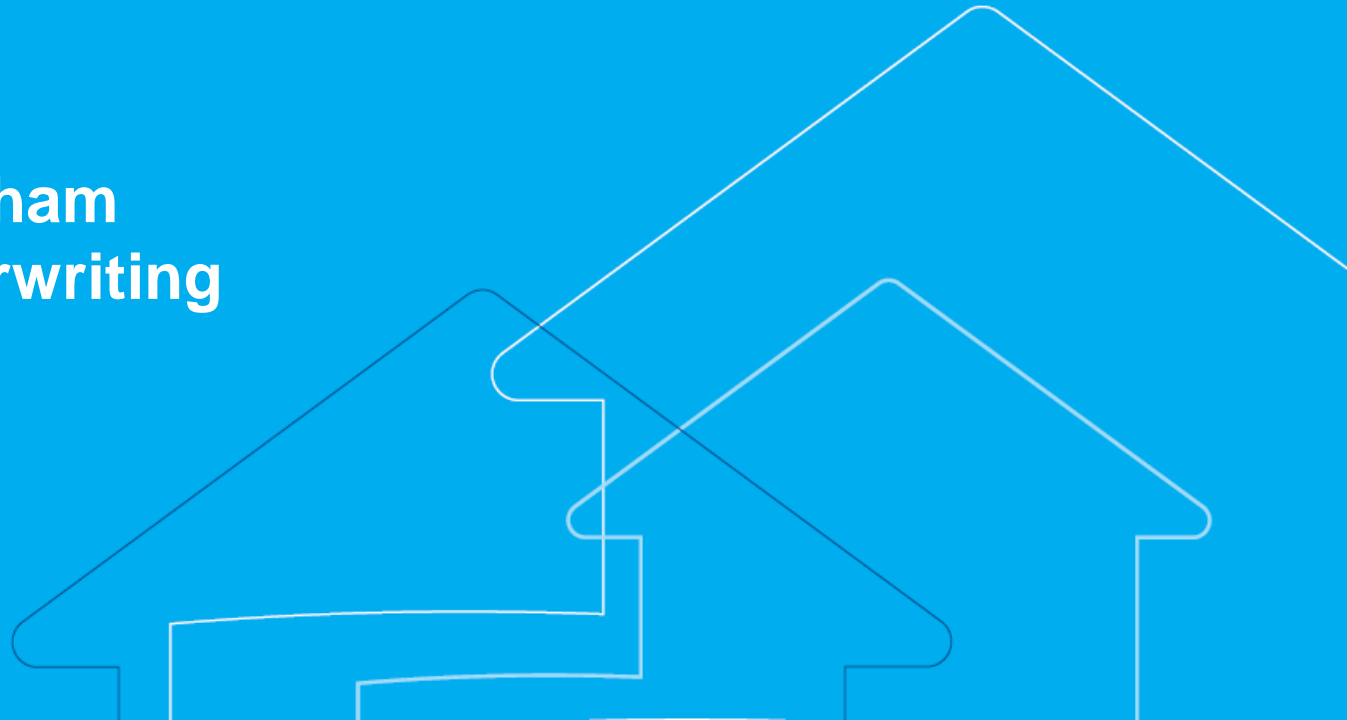
P&A Agreements and Capital Advance Leasing Facility

Patrick J. Graham
Head of Underwriting

25th May 2017

www.housingagency.ie

*promoting sustainable
communities*



Payment & Availability Agreement



- AHB makes units available for social housing for an agreed term to nominated tenants
- LA makes payment based on market rent, quarterly in advance
- AHB must use the LA DR scheme when charging rent
- LA plays critical role at all stages
- Terms and conditions apply



Capital Advance Leasing Facility

- Assists access to private or HFA finance
- Unsecured loan, 2% simple interest, repayable at end of term or P&A
- Maximum 30% of project cost
- Determined on a per project basis
- Assessed by use of a set of assumptions within a balanced financial framework

Main Documents

1. P&A Agreement – Local Authority and AHB

- a) Identify properties
- b) Payment amount and frequency
- c) Periodic payment reviews
- d) Property and occupancy requirements
- e) Management service requirements
- f) Filling vacancies
- g) Reporting requirements



2. CA (Loan) Agreement – Local Authority and AHB

- a) Capital advance amount
- b) Loan term
- c) Interest rate
- d) Repayment
- e) Default provisions

3. Continuation Agreement – Local Authority, AHB and Lender

Activity to Date

- 400+ projects submitted
- 5,270 units approved
- 29 AHBs have applied for CALF assistance
- 30 LAs have had a CALF project considered in their functional area
- 1,600 units have become operational as a direct result of CALF to end March 2017
- €60m CALF provided for these units
- 3,349 additional units approved and awaiting delivery with associated approved cost of €175m
- 730 additional units pending approval

Accelerated CALF

- Allows AHB drawdown 95% of funding before P&A is signed
- Payable on proof of expenditure at agreed milestones
- Reduces need for AHB to arrange and pay bridging finance
- Accelerates housing delivery

Current Issues

- Market rent increases
- Costs per unit increases
- Validity of existing assumptions
- Prioritisation of funding allocation

Thinking Ahead

- Operational challenges
- Staff turnover
- New and refresher training
- One Stop Shop



Thank You

Tel: + 353 1 656 4100

E-mail: patrick.graham@housingagency.ie

www.housingagency.ie

*promoting sustainable
communities*

