

NAMA

Forum on Housing and Homelessness

31st March 2016

Martin Whelan, Head of Public Affairs, NAMA

Kate Joyce, Senior Asset Manager, NAMA



NAMA - Overview

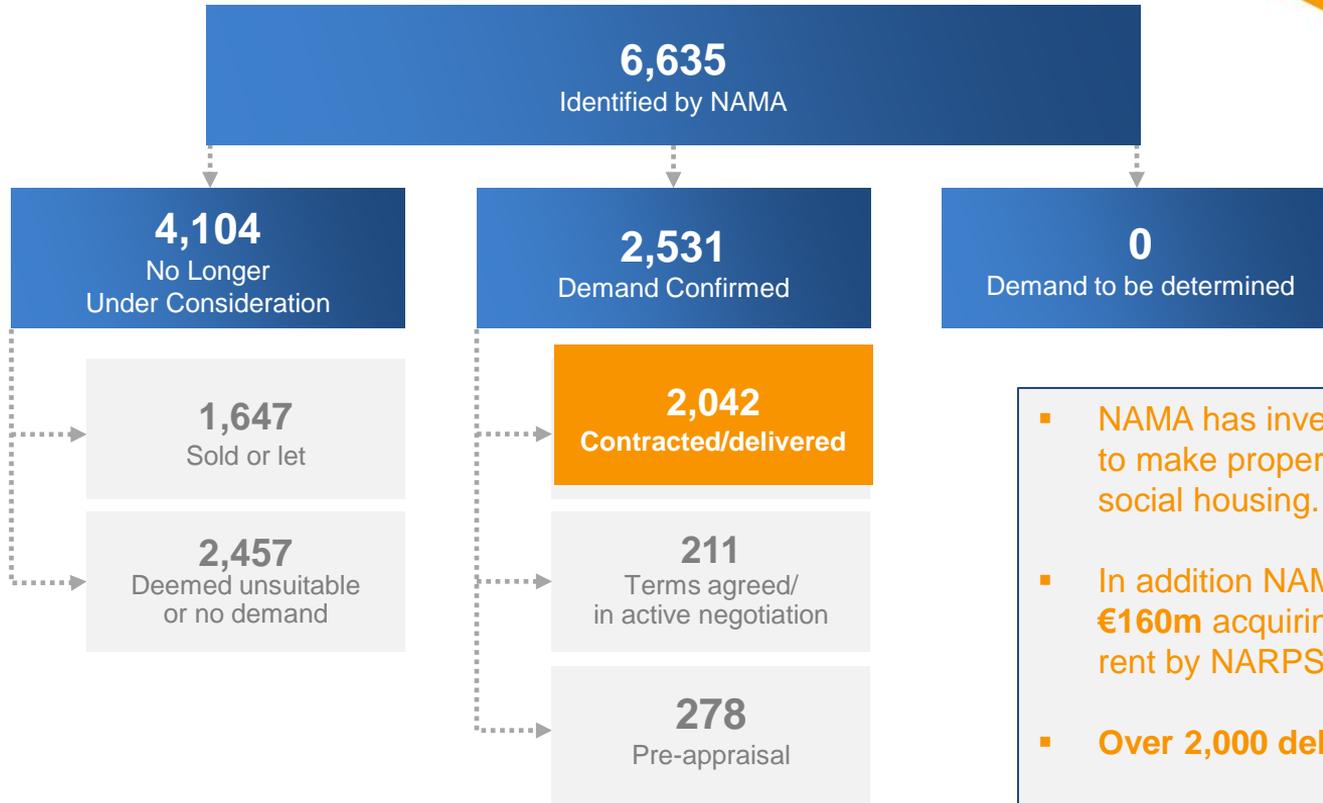
- NAMA does not own, buy or sell properties, they are owned by debtors, the same way BOI/AIB does not own a person's home if it has a mortgage.
- NAMA has acquired loans and its role is similar to a bank.
- NAMA's relationship with a debtor is similar to a bank's relationship with a mortgage customer – that is, the bank does not own that customer's house but it has a charge over it. People who owe money to NAMA have given NAMA a charge over properties that they own, as security for their loans.
- The sale and the development of properties securing NAMA loans is carried out directly by the owners (debtors) of those properties or, in the case of enforcement, by duly appointment insolvency practitioners (where receivers take the legal position of the debtor).
- Section 10 of the NAMA Act 2009 defines the purposes of NAMA. It requires NAMA to obtain the best achievable financial return for the State, deal expeditiously with the assets acquired by it and to protect or otherwise enhance the value of those assets. That is the core of NAMA's commercial mandate.

SECTION 1

Social Housing



Social Housing Delivery



- NAMA has invested over **€84m** to make properties ready for social housing.
- In addition NAMA has spent **€160m** acquiring properties to rent by NARPS to AHBs.
- **Over 2,000 delivered to date.**
- Approx. **5,700** delivered under Part V in 2002-2011.

Social Housing Delivery – Key facts

- The properties offered by NAMA represent the totality of vacant houses and apartments within NAMA's portfolio that was potentially available and suitable for social housing.
- NAMA has no control over the take-up of these properties. This is a reserved matter for Local Authorities (LAs) which NAMA engages with on this initiative through the Housing Agency (HA). The process also involves Approved Housing Bodies (AHBs).
- Where demand is confirmed for a property by Housing Agency\LA\AHB, NAMA makes whatever funding is needed (more than €84m to date) to ensure that they are completed and comply fully with all building standards. There is no issue in terms of the construction quality of what is handed over.
- Where demand has not been confirmed, NAMA has, through debtors and receivers, sold or leased the properties in the private residential market. There has been no shortage of uptake of these properties in the private market.
- The commercial terms on offer are attractive but market rate with a standard lease template. NAMA has agreed a long-term leasing model which is very successful. Leases typically provide for an average 20% market discount. The rent is fixed for the first six years and only reviewed every three years after that. The rent is payable quarterly in arrears. There is an inbuilt option to buy.

Social Housing

Methods of Delivery by NAMA

- Direct **sale** by NAMA Debtor or Receiver (39%)
- Direct **lease** by NAMA Debtor or Receiver (6%)
- Acquisition by **NARPS** and onward lease (55%)
 - ✓ In 2015, 73% of all delivery through NARPS
 - ✓ NARPS acquisition costs: **€160m**



Social Housing Delivery - By Local Authority Area

	Identified by NAMA	Demand Confirmed	Delivered
Carlow Co. Co.	225	150	138
Cavan Co. Co.	49	1	0
Clare Co. Co.	233	66	32
Cork City	500	187	132
Cork Co. Co.	790	309	285
Dublin City	828	391	377
Dún Laoghaire-Rathdown Co. Co.	332	143	112
Fingal Co. Co.	279	114	105
Galway City	203	202	196
Galway Co. Co.	135	39	32
Kerry Co. Co.	219	69	42
Kildare Co. Co.	298	122	113
Kilkenny Co. Co.	183	63	55
Meath Co. Co.	235	63	38
Offaly Co. Co.	79	32	30
Roscommon Co. Co.	136	10	0
South Dublin Co. Co.	591	131	123
Waterford Co. Co.	103	51	51
Wicklow Co. Co.	36	7	7
Westmeath Co. Co.	108	22	20
Donegal Co. Co.	118	32	5
Monaghan Co. Co.	42	39	0
Leitrim Co. Co.	35	0	0
Laois Co. Co.	98	1	0
Mayo Co. Co.	75	31	0
Longford Co. Co.	31	0	0
Tipperary Co. Co.	161	13	0
Sligo Co. Co.	111	29	4
Wexford Co. Co.	225	132	102
Limerick City and County Council	147	55	16
Louth County Council	36	27	27
Grand Total	6,635	2,531	2,042

Social Housing Delivery - County Breakdown

County	Delivered
Dublin	717
Rest of Ireland:	
Carlow	83
Clare	32
Cork	417
Donegal	5
Galway	228
Kerry	42
Kildare	113
Kilkenny	55
Limerick	16
Louth	27
Meath	38
Offaly	85
Sligo	4
Waterford	51
Westmeath	20
Wexford	102
Wicklow	7
Sub-Total	1,325
TOTAL	2,042

NAMA's Social Housing Programme

Examples of properties delivered for social housing



The Mills, Lismore, Co. Waterford

Long term lease of 8 houses to Co-Operative Housing Ireland (formerly NABCO).



Tallaght Cross West, South Dublin

Long term lease of 65 apartments to Tùath Housing.



Parkton Mews, Enniscorthy, Co. Wexford

Long term lease of 15 houses to Co-Operative Housing Ireland (formerly NABCO).

SECTION 2

NAMA Residential Funding Programme 2016-2020



NAMA Residential Funding Programme

20,000 residential units over the next five years

- NAMA has indicated that, subject to **commercial feasibility**, it could fund the delivery of up to 20,000 residential units over the next five years to end 2020.
- That funding to debtors and receivers is being provided on a commercial basis and consistent with NAMA's commercial obligation under section 10 of the NAMA Act to optimise the value of its assets.
- NAMA is obliged by law to only fund projects that are commercially viable.



NAMA's

Residential funding delivery programme – 93% in Greater Dublin Area

Delivery of **20,000** residential units by end-2020 subject to commercial viability

Focus on **starter homes**



78% of the units will be delivered in **Dublin**



15% in neighbouring counties (**Kildare, Wicklow and Meath**)



7% outside the Greater Dublin area



NAMA's

Residential Delivery to date

Units	Greater Dublin Area	Total Ireland
Completed since start 2014*	2,432 (across 58 development projects)	2,722
Under Construction	2,713 (across 40 development projects)	3,361
Planning Permission Granted	4,296 (across 43 development projects)	4,805

* **435** units completed in the Greater Dublin Area since the start of October 2015 (when 20,000 target was announced); total for Ireland since the start of October 2015 is **514**.

NAMA

Land Sales since 2010

- NAMA has disposed of sites that could deliver **25,000** residential units since 2010, with **22,000** of this amount sold since start of 2014.
- Only **1,000** (<5%) units have been built on these lands since sold by NAMA.



Summary

- NAMA made the totality of vacant housing stock within its original acquired portfolio available for social housing.
- NAMA has had no role in determining which of these units were taken up for social housing – that has been a matter for the statutory housing bodies.
- Where demand was confirmed NAMA invested significant sums of money to ensure that the properties were completed to the highest standards.
- Over 2,000 properties have been delivered for social housing through this initiative – this equates to more than one-third of 5,700 Part V social housing units delivered between 2002 and 2011 when over 550,000 new private houses were built in the State.
- NAMA is funding new private residential supply on a commercial basis in line with its legislative mandate. This supply is in the areas of greatest need and is aimed at the starter home market.



Existing NAMA Commitments Unaffected

Subject to current market conditions prevailing



**By 2018
(at latest)**
all senior debt repaid



1st March 2020
Subordinated debt repaid



€2bn
potential upper-range
terminal surplus

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