

**An tÚdarás Rialála Comhlachtaí  
Tithíochta Ceadaithe**

Approved Housing Bodies  
Regulatory Authority



# Housing Asset Transfers and AHB Mergers

**Regulatory Considerations  
for AHBs**

[ahbregulator.ie](http://ahbregulator.ie)

# Contents

<b>INTRODUCTION.....</b>	<b>2</b>
<b>HOUSING ASSET TRANSFERS AND MERGERS.....</b>	<b>2</b>
Why are AHBs choosing to merge or transfer their housing assets? .....	3
What is the difference between a merger and a housing asset transfer? .....	3
Options available to AHBs .....	4
<b>REGULATORY REQUIREMENTS IN RELATION TO A MERGER OR ASSET TRANSFER PROCESS .....</b>	<b>5</b>
Oversight and Management .....	5
Notifiable Events .....	6
Registration as an AHB .....	7
Steps to Registration for New Applicants .....	8
Cancellation of Registration as an AHB .....	9
<b>APPENDIX 1 .....</b>	<b>11</b>
Obtaining board agreement .....	11
Get it in writing .....	11
Stakeholder buy-in .....	11
The “right partner” .....	12
Putting tenants’ needs first.....	12
Co-operation between boards .....	13
Conducting appropriate due diligence .....	13
Having access to appropriate skills .....	14
Dedicated personnel .....	14
<b>APPENDIX 2 .....</b>	<b>15</b>
Statutory Bodies with an interest in AHB Housing Asset Transfers/Merger Activity .....	15
<b>APPENDIX 3 .....</b>	<b>16</b>
List of Abbreviations: .....	16

# Introduction

The Housing (Regulation of Approved Housing Bodies) Act 2019 (the Act) provides for the regulation of Approved Housing Bodies (AHBs) for the purposes of protecting housing assets provided or managed by such bodies. It seeks to support stronger governance, financial management and reporting, property and asset management, and tenancy management by AHBs. Its focus is on safeguarding the significant public investment being made in the delivery of social housing by AHBs.

The Approved Housing Bodies Regulatory Authority (AHBRA or 'the Regulator') was established in 2021 as the statutory regulator for AHBs.

There are currently 450 AHBs registered with AHBRA. These organisations are diverse in nature. They range from large, professionally staffed organisations to smaller, volunteer led AHBs. Most housing units in the sector are held by a small number of large organisations, while a large volume of small and micro AHBs provide approximately 8% of the total housing units in the sector.

## Housing Asset Transfers and Mergers

One of the recent trends which has emerged from an analysis of AHBRA's regulatory work is a growing number of potential asset transfers or mergers between AHBs.

As a result, AHBRA has produced this document which sets out its regulatory requirements and expectations in relation to any mergers or asset transfers AHBs may be considering.

In particular, it looks at the AHB's duties in relation to the management and oversight of such undertakings, as well as AHBs' obligations in relation to Notifiable Events, registration as an AHB and cancellation of registration.

[Appendix 1](#) also includes some general advice for AHB boards when considering a merger or a transfer. It is not prescriptive, and it does not seek to influence the outcome of dialogue on mergers or housing asset transfers. However, it may be of assistance to AHBs in highlighting some of the issues to take into account when considering a merger or transfer of housing assets.

This document is intended to provide general information in relation to mergers and transfers by AHBs. It is not, nor is it intended to be, a definitive statement on all laws, standards, policies and procedures applicable to companies, charities or conveyancing transactions. Organisations may wish to obtain their own independent legal and/or financial advice when making decisions relating to any of the matters referred to in this document.

## **Why are AHBs choosing to merge or transfer their housing assets?**

There are several reasons why a merger or housing asset transfer may be considered by an AHB. These include the potential for:

- Protecting tenants and their interests and improving responsiveness to their needs
- Securing the future viability of an AHB and protecting state funded assets
- Addressing governance difficulties, including ensuring an active and effective board of directors
- Ensuring an AHB's ability to meet its legal and regulatory requirements
- Increasing the borrowing power of an AHB through diversification of its asset base
- Providing tenants and service users with a greater range of supports and services
- Achieving greater value for money through economies of scale
- Generating increased income levels which can be used for the delivery of the AHB's strategic objectives
- Ensuring the continued success and legacy of individual AHBs and the sector as a whole

## **What is the difference between a merger and a housing asset transfer?**

The term "merger" is frequently used to describe a number of different types of activity in this area, although it itself is a very particular course of action.

In simple terms, a merger is the combination of two or more AHBs into one. The AHBs may merge and form an entirely new company. Alternatively, the original identity of one of the AHBs may be retained to create a larger organisation which integrates the other AHB(s). The common result is, however, that once a merger is complete, the AHBs involved cease to have separate identities and there will be one remaining organisation. A merger will result in some or all the AHBs involved dissolving or restructuring.

A housing asset transfer is the transfer of housing assets, i.e., the housing units owned and managed by an AHB, from it to another AHB, or to a newly formed AHB created for that purpose. Depending on the circumstances, the transferring party may dissolve or carry on with other activities. For example, a care and support organisation may transfer its housing assets to another AHB and no longer directly provide housing accommodation. It may, however, continue to provide other aspects of care and support services to the tenants of those properties.

## **Options available to AHBs**

There are several options available to AHBs that are considering a merger or asset transfer. While this list is not definitive, it incorporates the main options open to organisations. They include:

- Merging with another AHB to form a new AHB
- Merging with another AHB to become part of that AHB
- Transfer of all of its housing assets to another AHB
- Transfer of a specific group of housing assets (for example, units in a specific location) to another AHB
- Becoming part of a group structure with another AHB

It is important that an AHB's board conducts a full appraisal and evaluation of the options open to them when considering the best options for its organisation. The interests of tenants should remain at the heart of that decision-making process.

# Regulatory Requirements in relation to a merger or asset transfer process

## Oversight and Management

Appropriate management and oversight of any merger or asset transfer is essential if it is to be successful. The boards of AHBs should ensure:

- Compliance with all statutory, regulatory, or contractual obligations, including those relating to Registration and Cancellation of Registration as an AHB
- Compliance with the regulatory Standards for AHBs
- That appropriate skills and experience are in place in the governance and management of any merger partner
- Clear outcomes for tenants are identified including the safeguarding of tenant homes
- Appropriate communication strategy with tenants and other stakeholders throughout the process
- Orderly transfer of assets and associated liabilities, including all necessary approvals

AHB boards should be able to evidence collective decision making, robust challenge and demonstrate they fully understand the governance, financial, operational and performance impacts as a result of any proposed merger and/or asset transfer.

AHBs are reminded that they must comply and demonstrate compliance with the regulatory Standards for AHBs. In particular, the Governance Standard outlines the key outcomes that AHBs are required to achieve relating to membership, roles and responsibilities, procedures for decision-making, control and oversight, conflicts of interest, code of conduct, effective governing, accountability, honesty, integrity and risk management.

## Notifiable Events

A Notifiable Event is a material, significant, or exceptional issue, event, or change within an organisation. It is likely that where two AHBs are considering a merger, or significant asset transfer, that it will be a Notifiable Event for one, if not both, of the AHBs involved. Where this is the case, the AHB(s) must inform AHBRA at an early stage in its deliberations. AHBs are reminded that it is their legal obligation to inform AHBRA before the occurrence of the event or, where that is not practicable because of the nature of the event concerned or the circumstances in which it has arisen, as soon as practicable after the occurrence of the event.

A merger of two or more AHBs will almost certainly be a Notifiable Event given the impact that it would have on the status and operations of the organisation(s) involved. Housing asset transfers are often Notifiable Events dependant on the impact the transfer would have on the AHBs involved.

AHBs are obliged to notify AHBRA before the occurrence of a notifiable event where practicable. Notification of potential mergers and housing asset transfers should not be delayed until the event and all related action has been concluded. Early notification of such events is in the best interest of an organisation, as it enables AHBRA to understand any potential risks facing an AHB and the AHB's future plans. When AHBRA is informed of a proposed housing asset transfer or merger, we may seek the following information:

- Details of the proposals (for example, a housing asset transfer or merger)
- The names of the parties involved
- Details of the current stage of the proposals
- The number of dwellings involved, and number of tenants/occupants affected
- Details of any outstanding mortgage charges or financing arrangements
- Details of board approvals obtained
- Intended timelines for completion of the transfer/merger
- Details of any communication with tenants/occupants regarding the proposals
- Details of engagement with other stakeholders (for example, the relevant Local Authority)

AHBs are responsible for ensuring they comply with their reporting obligations. If an AHB is in doubt about whether a matter is a Notifiable Event, it should contact AHBRA.

AHBRA has also published [Notifiable Events Guidance for AHBs](#).

## Registration as an AHB

In certain circumstances, for example, where two organisations merge to create an entirely new entity, it may be necessary for the new organisation to apply for registration as an AHB.

Section 25 of the Act sets out the eligibility criteria that an organisation **must** meet in order to make an application for registration as an AHB. Any organisation that is considering making an application for registration must demonstrate that they meet the Eligibility Test.

Therefore, any new organisation which is created should have careful regard to the eligibility criteria and registration requirements to ensure successful registration as an AHB.

An eligibility checklist is provided overleaf.





<b>The Eligibility Test</b>		
The eligibility criteria are that the person is <b><u>one of the following organisation types:</u></b>	<b>YES</b> <input checked="" type="checkbox"/>	<b>NO</b> <input type="checkbox"/>
A company with at least 5 directors, that is a: <ul style="list-style-type: none"> <li>• Company Limited by Guarantee</li> </ul> <b>OR</b> <ul style="list-style-type: none"> <li>• Designated Activity Company Limited by Guarantee</li> </ul>		
A Registered Society		
A friendly society within the meaning of the Friendly Societies Acts 1896 – 2018, or		
A charitable Trust, with at least 5 trustees, that is a registered charitable organisation		
And it <b><u>includes</u></b> in its constitution:	<b>Yes</b> <input checked="" type="checkbox"/>	<b>No</b> <input type="checkbox"/>
Either or both of the following as its primary object or primary objects:		
I. The provision of dwellings for the purpose of the alleviation of housing need		
II. The management of dwellings provided for the purpose of the alleviation of housing need, whether or not it provides those dwellings		
And the following provisions:		
III. Prohibiting the distribution of any surplus, profit, bonus or dividend to members or directors or other persons, and		
IV. Requiring that all of its property (both real and personal) be applied solely in furtherance of its primary object or primary objects specified in subparagraph (i), except for moneys expended in the operation and maintenance of the person, including moneys paid in remuneration and superannuation of members of its staff.		

## Steps to Registration for New Applicants

- Contact AHBRA to discuss the organisation’s intention to apply for AHB status
- Conduct an Eligibility Test



- If you meet the Eligibility Criteria, complete and submit an application for registration with supporting documents
- AHBRA reviews application
- The Board of new applicant meets with AHBRA to discuss application
- AHBRA makes decision to grant or refuse application for registration
- AHBRA informs the organisation of its decision to grant or refuse its application for registration

AHBRA's Registration Policy is available [here](#).

Further information may be obtained by contacting [registration@ahbregulator.ie](mailto:registration@ahbregulator.ie).

## **Cancellation of Registration as an AHB**

In a number of circumstances, the transfer of housing assets to another AHB, or the coming together of AHBs through a merger, will result in one or more organisations no longer wishing to remain as a registered AHB.

Section 57 of the Act provides for the cancellation of registration of AHB status at the request of the AHB ("a Cancellation Request"). Section 57 requires AHBs seeking to cancel their registration to submit proposals to AHBRA in relation to any properties which were provided or managed with financial assistance under Section 6 of the Housing (Miscellaneous Provisions) Act 1992. This includes (amongst others) properties provided with assistance through the Capital Assistance Scheme (CAS), the Capital Loan and Subsidy Scheme (CLSS) and the Capital Advance and Leasing Facility (CALF).

Where an AHB has previously obtained such assistance, AHBRA will:

- consider whether the AHB's proposals are in compliance with the terms and conditions of any assistance given to the AHB (Section 57(6)(a)),
- seek a copy of notice issued to each relevant Local Authority
- consider representations from relevant local authorities
- consider whether, for the purpose of protecting certain housing assets and the protection of tenants of dwellings, it is necessary to ensure that the organisation remains subject to regulation to avoid prejudice to the performance of AHBRA's functions (Section 57(6)(f)).

The intention to cancel registration as an AHB is a Notifiable Event and AHBRA expects that AHBs notify it at an early stage in such deliberations.

AHBs are encouraged to engage with relevant stakeholders, including local authorities, in a timely manner, prior to submitting a Cancellation Request.

Further information may be obtained by contacting [registration@ahbregulator.ie](mailto:registration@ahbregulator.ie).



# Appendix 1

There are a number of actions which can help ensure a successful merger set out below. These have been drawn from a number of AHBs previous experiences in this area and AHBs may find this information useful when considering a merger or housing asset transfer.

The below is intended to provide general information in relation to mergers and housing asset transfers. It is not, nor is it intended to be, a definitive statement on the law. As indicated below, AHBs should ensure they have obtained appropriate, specialist advice where they are considering or actioning the matters contained in this document.

## **Obtaining board agreement**

When entering a merger, an AHB board should ensure there is clear agreement for delivering on the housing asset transfer/merger process and have a clear understanding of the objective and ultimate outcome. This can only occur where the board has conducted a full critical appraisal of all available options and made a collective decision in relation to the chosen approach.

## **Get it in writing**

Putting in place appropriate written documentation, such as a Confidentiality Agreement at the beginning, and a Memorandum of Understanding following due diligence, is important. Having a number of nominated members to represent each organisation throughout the process and including the names of these representatives in the Memorandum of Understanding should be considered by the AHBs.

## **Stakeholder buy-in**

Obtaining the buy-in of staff, tenants and other stakeholders to the change process can only be achieved when the board communicates with a single collective voice as to the benefits and aims of the merger. The support of members, the CEO and directors is critical for the process to be successful.

Feedback from AHBs highlights the benefits that can be gained through early engagement with the relevant Local Authorities. AHBs should note that Local Authority consent is required to transfer housing assets that are subject to funding arrangements, for example, properties which have been funded through the Capital Assistance Scheme (CAS) or Capital Loan and Subsidy Scheme (CLSS). Early engagement can also help ensure that all relevant paperwork, including title documentation, is in order.

A non-exhaustive list of statutory bodies who may be interested in transfers and mergers by AHBs is included at Appendix 2.

## **The “right partner”**

Identifying the ‘right partner’ is a crucial element of success and attention should be given to the alignment of the values and culture of the organisations. This can help ensure:

- There is a good cultural match between AHBs, especially in terms of board expectations and approach
- There is a good organisational and strategic fit between AHBs
- The legacy of those involved in originally establishing the AHB is protected
- Adequate resources are committed to ensure successful completion of the merger process
- Stakeholders are clear about the benefits of the arrangement
- Any potential delays are managed appropriately, and the merger or transfer is not allowed to drift over time

The Irish Council for Social Housing (ICSH) is the national social housing federation of non-profit voluntary and other national housing associations. The organisation provides a number of services for members and can assist AHBs in the process of identifying appropriate partner organisations for mergers or housing asset transfers.

## **Putting tenants’ needs first**

Tenants should be at the heart of any merger process. Ensuring a full consultation process is in place is crucial to ensuring that the housing asset transfer/merger can go ahead.

The Tenancy Management Standard establishes a set of outcomes that AHBs are required to achieve in their management of tenancies and communication with tenants. This Standard requires that AHBs have effective policies and procedures in place for the delivery of tenant

services, ensuring AHB tenants are central to the work of the AHB, with the main objective of safeguarding tenants.

Joint, agreed communications from both organisations should be considered. Providing opportunities for explaining written correspondence to tenants, perhaps through home visits, and offering reassurance in respect of the continuation of existing commitments can also help in ensuring a smooth transition of tenants and properties.

## **Co-operation between boards**

The full co-operation of both AHB boards is required to ensure a unified approach is in place. A clear programme of actions should be agreed and signed off by both boards as part of the housing asset transfer or merger action. There should also be clear protocols in place for either party to raise concerns where progress is not in line with expectation.

## **Conducting appropriate due diligence**

Due diligence refers to the steps that organisations take to assure themselves that the housing asset transfer or merger is in their best interests. Should organisations wish to merge, or transfer housing assets to another AHB, it is essential that due diligence is undertaken in relation to the legal, financial, and commercial aspects of the process together with the examination of potential legal and financial ramifications.

Thorough due diligence is vital. Previous AHBs involved in housing asset transfers indicated due diligence was carried out across multiple areas, that included the following:

- Review legal and compliance obligations
- Review the alignment of organisational ethos
- Review of Reputational Risks
- Review of Financial Standing
- Review of organisational performance
- Review of Health and Safety or Fire Safety Reports
- Review of Human Resource matters
- Stock Condition Survey
- Review of Formal Complaints
- Review of Companies Registration Office Reports
- Review of any regulator reports

## **Having access to appropriate skills**

Boards should ensure they have, or have access to, the specific skills and experience necessary to objectively evaluate the merits or otherwise of all proposals. Where the board does not have such specific skills, it should seek impartial advice on the implications of any proposal. The AHB must comply with the governance requirements set out in the Standards for AHB.

## **Dedicated personnel**

Having a project manager in place, where possible, to ensure the implementation of the merger project plan can greatly enhance the success of the merger or transfer of assets. It is vital that key activities such as liaising with Local Authorities, the Department of Housing, Local Government and Heritage (DHLGH), AHBRA, completing due diligence, and complying with all legal and statutory requirements are fully identified and managed.

## Appendix 2

Statutory Bodies with an interest in AHB Housing Asset Transfers/Merger Activity		
Statutory Body	Area of Interest	Notes
<b>Approved Housing Bodies Regulatory Authority (AHBRA)</b>	Notifiable Events, registration and cancellation of AHB registration	
<b>Charities Regulatory Authority</b>	AHBs that are charities – transfer of assets and mergers	
<b>Director of Corporate Enforcement</b>	Compliance with corporate obligations	
<b>Registrar of Companies</b>	Companies Acts 1963-2021	Companies House: registration and deregistration of companies
<b>Registrar of Friendly Societies</b>	Registration Authority for all friendly societies	Sharing office location in Dublin 1 with Companies Registration Office
<b>Residential Tenancies Board (RTB)</b>	Registration of tenancies	
<b>Health Information and Quality Authority (HIQA)</b>	Where AHBs providing care/support to tenants-elderly and those with disabilities	Particularly key where housing units have been defined as ‘designated centres’ and are subject to HIQA inspections
<b>Local Authorities</b>	Approval for disposal of properties held under CAS or CLSS mortgage, loans under CALF and P&A agreements. Oversight role of conditions in mortgage agreements	Consent needed to transfer property subject to a LA mortgage to any other AHB or local authority



## Appendix 3

### **List of Abbreviations:**

- AHB – Approved Housing Body
- AHBRA – Approved Housing Bodies Regulatory Authority
- CALF – Capital Advance Leasing Facility
- CAS – Capital Assistance Scheme
- CEO – Chief Executive Officer
- CLG – Company Limited by Guarantee
- CLSS – Capital Loan Subsidy Scheme
- CRA – Charities Regulatory Authority
- CRO – Companies Registration Office
- DHLGH - Department of Housing, Local Government and Heritage
- H&S – Health and Safety
- HIQA – The Health Information and Quality Authority
- HSE – Health Service Executive
- ICSH - Irish Council for Social Housing
- LA – Local Authority
- MOU – Memorandum of Understanding
- P&A – Payment and Availability Agreement
- RTB – Residential Tenancies Board



Please consider the environment before printing this document.

**An tÚdarás Rialála Comhlachtaí  
Tithíochta Ceadaithe**

Approved Housing Bodies  
Regulatory Authority



Grattan House, 67-72 Mount Street  
Lower, Dublin 2, D02H638  
T: (01) 224 3900  
E: [info@ahbregulator.ie](mailto:info@ahbregulator.ie)  
W: [www.ahbregulator.ie](http://www.ahbregulator.ie)

 @AHBregulator  
 ahbregulator