Housing Executive

STRATEGIC HOUSING MARKET ANALYSIS:

NORTHERN IRELAND SUMMARY

FINAL REPORT

JUNE 2022

ECONOMIC Research and Evaluation

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Strategic Housing Market Analysis: Northern Ireland Summary

Final Report

Submitted to

Northern Ireland Housing Executive

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Contents

Abbreviations

ASHE	Annual Survey of Hours and Earnings
BRMA	Broad Rental Market Area
CHMA	Centre for Housing Market Analysis
CPI	Consumer Price Index
CWL	Common Waiting List
DfC	Department for Communities
DfI	Department for Infrastructure
dPS	Draft Plan Strategy
FDA	Full-Duty Applicant
HCS	House Condition Survey
HGI	Housing Growth Indicators
HMA	Housing Market Area
LDP	Local Development Plan
LFS	Labour Force Survey
LGD	Local Government District
LHA	Local Housing Allowance
LPS	Land and Property Services
NIHE	Northern Ireland Housing Executive
NISRA	Northern Ireland Statistics and Research Agency
NSM	Net stock model
ONS	Office for National Statistics
PfG	Programme for Government
RDS	Regional Development Strategy
SHBE	Single Housing Benefit Extract
SHMA	Strategic Housing Market Analysis
SPPS	Strategic Planning Policy Statement

Executive Summary

Introduction

This report presents the summary of the Strategic Housing Market Analyses (SHMAs) that have been prepared for Northern Ireland's 11 Housing Market Areas (HMAs). The report combines the results from the SHMA reports to set out projections of future housing need and demand at Northern Ireland and Local Government District (LGD) levels. The report has been commissioned by the Northern Ireland Housing Executive ('the Housing Executive') in its role as the strategic regional housing authority.

Housing Market Areas are defined as:

> "The spatial area within which most households both live and work and where those moving house without changing their place of work search for, and choose, a home."

Within that context, this report serves as an evidence base. While different scenarios for the future evolution of housing need are identified, the report does not suggest targets or policy. It is a matter for Councils to conclude which scenario is most appropriate to their area and this can be referenced in the Local Development Plan (LDP). The scenario deemed most appropriate could change in a different economic/housing market context, over the life of the Plan. The scenarios are based on demographic trends and allow Councils to consider policy responses if they wish to change the identified trends. It is also acknowledged that the LDP can set housing targets due to other factors, set out in the 2015 Strategic Planning Policy Statement (SPPS).

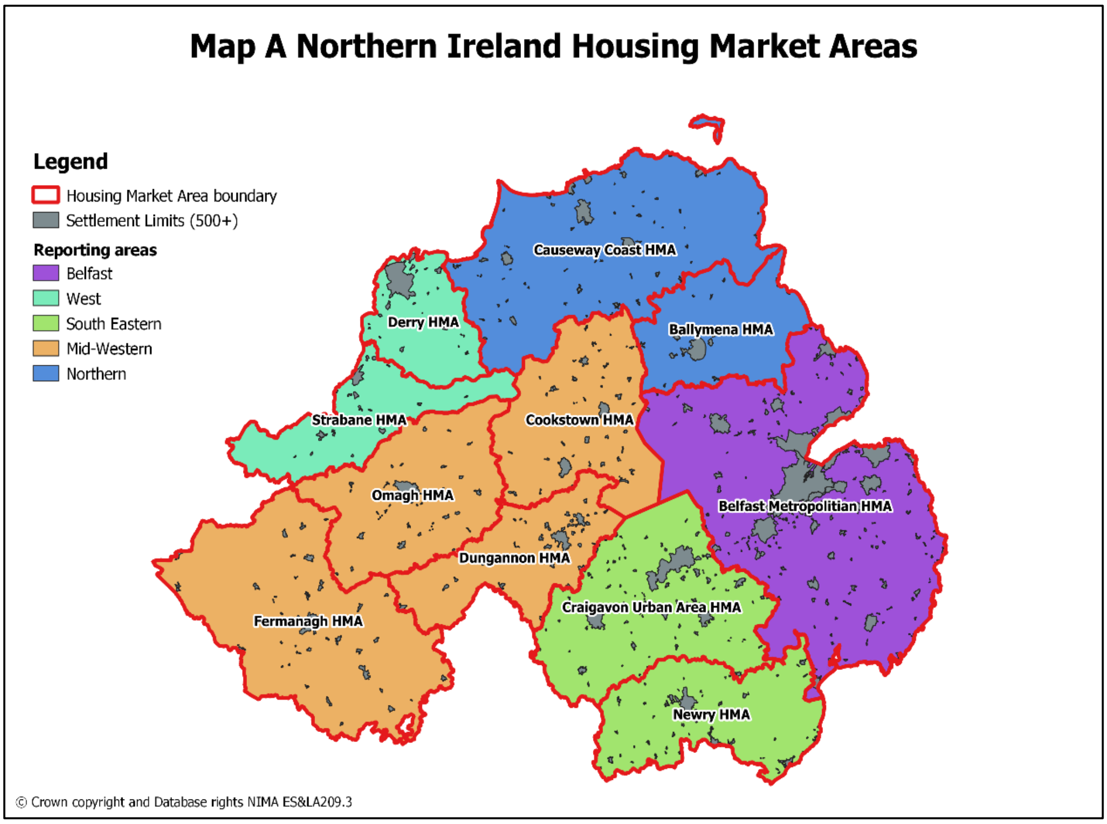
The Northern Ireland HMAs

The Northern Ireland HMAs were defined in a research report commissioned by the Northern Ireland Housing Executive. The 11 HMAs are shown in Map A, grouped into five SHMA reporting areas.

The SHMA reports for the Belfast Metropolitan HMA and the Derry and Strabane HMAs were completed in December 2020 and have been published as research reports by the Housing Executive. The three remaining SMHA reports have been prepared in this second stage.

The SHMA reports provide housing requirement projections for the 15 years 2020 to 2035, both in total and by tenure, i.e. private, intermediate and social housing need.

As the SHMA reports provide detailed analysis across the 11 HMAs, this summary report focuses on the findings at Northern Ireland level, with geographical detail presented for the 11 Local Government Districts.



Policy Context

The policy context within which this SHMA sits is framed by three main elements:

- Planning policy.
- Programme for Government, with particular reference to housing.
- Welfare reform, again focusing on aspects relevant to housing.

The planning policy framework encompasses the Regional Development Strategy 2035, the 2015 Strategic Planning Policy Statement (SPPS) and the Local Development Plan (LDP) process. The LDP process is ongoing.

In January 2021, the Executive Office published a draft Outcomes Framework Consultation Document. While the preparation of a new PfG stalled in the face of the need to tackle the coronavirus pandemic, housing policy has continued to be developed.

The housing priority is being developed under four main themes, as follows:

- Increasing housing supply/options across all tenures.
- Making the best use of existing housing.

- Improving the private rented sector.
- Improving housing for the most vulnerable.

The first theme is based around increasing housing supply and options across all tenures. The main thrust of the housing supply theme is to “enhance investment and agree a target for new social and affordable home starts”. As part of the approach to increasing housing supply, the Department for Communities (DfC) is also considering how to expand the range of intermediate housing products for low and middle-income households that can afford social housing but cannot afford market rents and/or house purchase.

The wider context for the SHMAs has been shaped by two key events, i.e. the Covid-19 pandemic and the UK’s exit from the European Union (Brexit). The pandemic had a hugely disruptive effect across all sectors of society and the economy, including the housing market.

The longer-term impacts of Brexit remain highly uncertain, especially the ramifications for international migration, which is of particular importance in a housing market analysis.

The perspective adopted in this SHMA is that long-term demographic trends will continue, e.g. the ageing of the population. It is also assumed that housing market effects from the pandemic, especially on activities such as transactions, lettings and new dwelling completions, will be transient, albeit the timing and duration of effects is highly uncertain. Those activities tend to fluctuate in any event, more typically with the economic cycle. However, demographic factors will continue to operate over the long term.

Looking to the longer term and considering the 15-year projection period for the SHMAs, demographic trends will continue to strongly shape housing market need and demand. The overall total population does not follow a cyclical pattern. The vast majority of those who will be alive in 2035 have already been born.

Housing Requirements

The SHMAs are based on the net stock model (NSM) which projects future housing requirements from three main components, as follows:

- Newly arising need and demand due to projected net growth in the number of households.
- Existing unmet need, most often referred to as the backlog of unmet need, i.e. the shortfall between current provision and the accommodation needs of existing households as well as individuals or families that have not yet formed as separate households.

- Accompanying demand (second homes) and supply-side adjustments (vacant dwellings, conversions, etc.).

Based on the net stock model, new dwelling requirements have been projected over the 15-year period 2020 to 2035, for each of the 11 HMAs and the 11 LGDs.

In the central projections presented in this report, the projected number of **newly arising households** over the projection horizon is **68,610**. After allowing for expected changes in second homes, vacant dwellings, and the replacement of dwellings lost due to dereliction, demolition, etc, the projected total new dwelling requirements amount to **84,670**, giving an average annual requirement of **5,640** dwellings over the 15-year period. That projection does not include the backlog of housing need.

The backlog of housing need has been measured from the Housing Executive's Common Waiting List (CWL) as at August 2019. The CWL is a comprehensive listing of individuals who have expressed a desire for alternative accommodation by applying for a social rented home. Within the CWL, an estimated **10,940** applicants are homeless and without their own self-contained accommodation. They form the **net backlog of housing need**, i.e. additional new dwellings are required to meet their need for accommodation.

With the addition of the backlog, the total new dwelling requirement for the period 2020 to 2035 increases to **95,620**. Over the 15-year projection period, the net backlog adds an annual **730** to the requirement, bringing the annualised total to **6,370**.

The net **new dwelling requirements by tenure** have been projected based on a household affordability model, with income tests deployed to assign the following categories:

- **Market** – can afford market rent or has sufficient income to enter and sustain home ownership.
- **Intermediate** – cannot afford market rent but can afford more than social rent.
- **Social** – cannot afford intermediate or market rent.

Excluding the backlog, 65 per cent of the projected annualised requirements are assigned to the market sector with 18 per cent to the intermediate sector and 17 per cent to the social sector. When the net backlog is assigned to the social sector, the social share rises to 26 per cent while the market share reduces to 57 per cent and the intermediate share to 16 per cent.

The requirements by tenure, including the backlog, are summarised in Table A.

Table A New dwelling requirements by tenure, 2020-2035, central projections, N. Ireland

	Market	Intermediate	Social	All
Excl. backlog				
Total	54,890	15,450	14,330	84,670
Annualised	3,660	1,030	960	5,640
Per cent	*65*	*18*	*17*	*100*
Incl. backlog				
Total	54,890	15,450	25,280	95,620
Annualised	3,660	1,030	1,690	6,370
Per cent	*57*	*16*	*26*	*100*

Projections for new dwelling requirements are inherently uncertain. In the present context, the main source of uncertainty is the pace of household growth. The projected pace of household growth depends on the assumptions for the trend in average household size and the change in the household population. A number of scenarios have been prepared to reflect those uncertainties.

1 Background

1.1 Introduction

This report presents the summary of the Strategic Housing Market Analyses (SHMAs) that have been prepared for Northern Ireland's 11 Housing Market Areas (HMAs). The report combines the results from the SHMA reports to set out projections of future housing need and demand at Northern Ireland and Local Government District (LGD) levels. The report has been commissioned by the Northern Ireland Housing Executive ('the Housing Executive') in its role as the strategic regional housing authority.

Housing Market Areas are defined as[1]:

> "The spatial area within which most households both live and work and where those moving house without changing their place of work search for, and choose, a home."

HMAs provide a spatial framework for Strategic Housing Market Analyses. The rationale for a SHMA has a number of dimensions, including[2]:

- Enabling the appropriate authority to develop long-term strategic views of housing need and demand to inform regional spatial strategies and regional housing strategies.
- Enabling planners to think spatially about the nature and influence of the housing markets in respect to their local area.
- Providing robust evidence to inform policies aimed at providing the right mix of housing across the housing market (both market and affordable housing).

Within that context, this report serves as an evidence base. While different scenarios for the future evolution of housing need are identified, the SHMA reports do not suggest targets or policy. It is a matter for Councils to conclude which scenario is most appropriate to their area and this can be referenced in the Local Development Plan (LDP). The scenario deemed most appropriate could change in a different economic/housing market housing context, over the life of the Plan. The scenarios are based on demographic trends and allow Councils to consider policy responses if they wish to change the identified trends. It is also acknowledged that the LDP can set housing targets due to other factors, set out in the 2015 Strategic Planning Policy Statement (SPPS).

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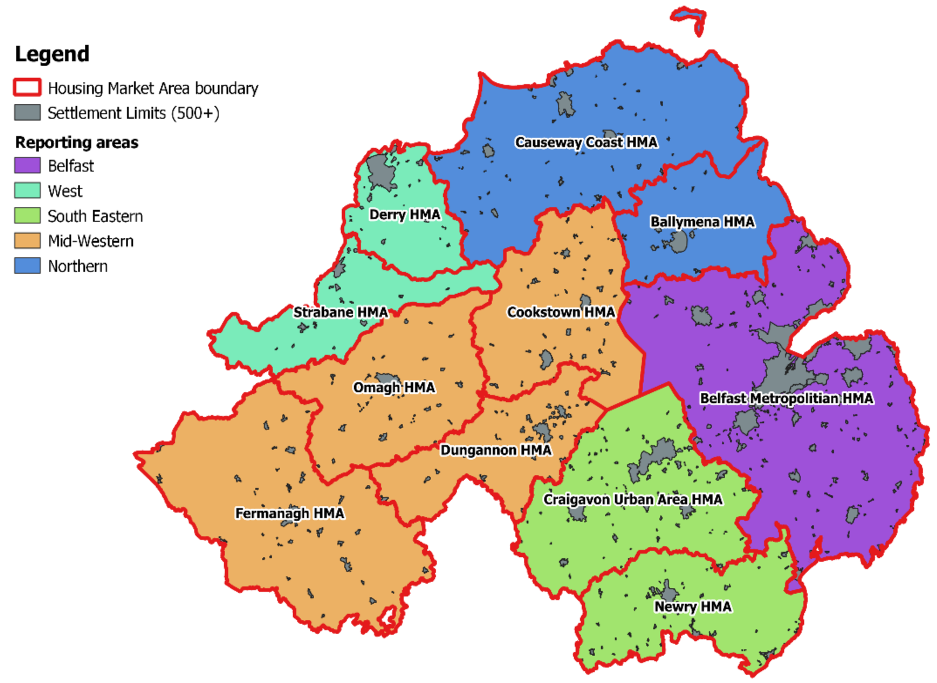
[1] Newhaven Research, 2018. Mapping Northern Ireland's Housing Market Areas, page 12.
[2] Department for Infrastructure, Regional Development Strategy 2035, page 104.

1.2 The Northern Ireland HMAs

The Northern Ireland HMAs were defined in a research report commissioned by the Northern Ireland Housing Executive[3]. The 11 HMAs are shown in Map A, grouped into five SHMA reporting areas.

Map A Northern Ireland Housing Market Areas



The methodology employed for defining the HMAs is set out in the 2018 Newhaven Research report. Briefly, the approach was based around first defining a set of 'seeded' centres and then examining the strength of the linkages between each centre and surrounding Wards, as measured by the seeded centre's share of residential moves into and out of those Wards. The HMAs were then built up from the application of a series of tests to determine the seeded centre which exerts the greatest influence on movements into and out of each Ward. As can be seen from Map A, the methodology produces a set of HMAs which are centred on their respective main cities and District Towns.

[3] The report, dated August 2018, was prepared by Newhaven Research and is titled Mapping Northern Ireland's Housing Market Areas.

For the purposes of the SHMA reports, the original Newhaven mapping was modified in two respects, as follows:

- The Limavady area[4] located on the western flank of the Causeway Coast and Glens LGD was re-assigned from the Derry HMA to the Causeway Coast HMA.

- The Dromore and Gransha Wards were re-assigned from the Belfast Metropolitan HMA to the Craigavon Urban Area HMA.

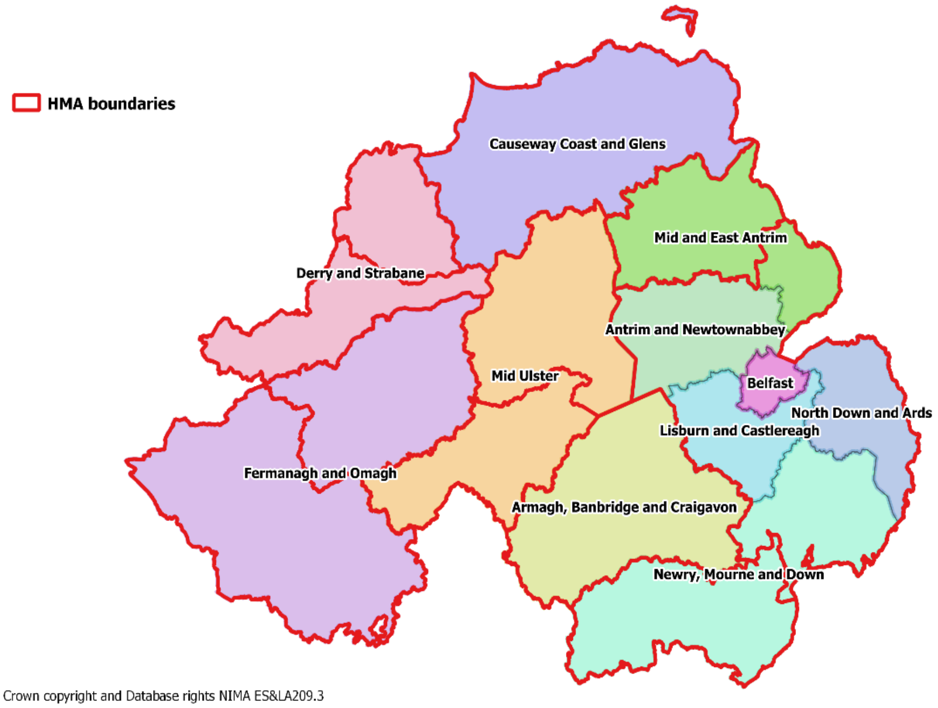
The purpose of the modifications was to enhance the coherence between the HMA and LGD geographies, within the policy context of helping to inform the Local Development Plan process. Consequently, as can be seen from Map B, the majority of LGDs are either coterminous with one or more HMAs or wholly contained within a single HMA. The two exceptions are:

- Mid and East Antrim LGD. The LGD includes all of the Ballymena HMA while the remainder[5] forms part of the Belfast Metropolitan HMA.

- Newry, Mourne and Down LGD. The LGD includes all of the Newry HMA while the remainder[6] forms part of the Belfast Metropolitan HMA.

[4] Comprising the bulk of the former Limavady LGD
[5] All of the former Carrickfergus LGD and 90 per cent of the former Larne LGD.
[6] Mainly, the former Down LGD.

Map B Housing Market Areas and Local Government Districts



The correspondence between the 11 LGDs and the SHMA reporting areas and HMAs is shown in Table 1.1.

The SHMA reports for the Belfast Metropolitan HMA and the Derry and Strabane HMAs were completed in December 2020 and have been published as research reports by the Housing Executive. The three remaining SMHA reports have been prepared in this second stage.

Table 1.1 LGDs within the SHMA reporting areas

Reporting areas/HMAs	**LGDs**
Belfast Metropolitan HMA	Antrim and Newtownabbey Ards and North Down Belfast Lisburn and Castlereagh Mid and East Antrim (part) Newry, Mourne and Down (part)
West Area	
Derry and Strabane	Derry City and Strabane

Table 1.1 LGDs within the SHMA reporting areas	
Northern Area	
Causeway Coast	Causeway Coast & Glens
Ballymena	Mid and East Antrim (part)
Mid-Western Area	
Cookstown and Dungannon	Mid Ulster
Fermanagh and Omagh	Fermanagh and Omagh
South Eastern	
Craigavon Urban Area	Armagh City, Banbridge and Craigavon
Newry	Newry, Mourne and Down (part)

1.3 SHMA Objectives

The SHMA reports were prepared to meet the following objectives:

- Analyse key economic, demographic and housing data to establish the current operation and future trends that influence the Housing Market Areas.

- Identify the main housing sub-markets within the HMAs and where appropriate, highlight any local issues (including rural-related issues) within the submarkets that deviate from the wider HMAs. It should also highlight specific linkages to other Housing Market Areas and how they inter-relate.

- Provide a 15-year, cross-tenure (private, intermediate and social) housing need assessment methodology to be applied at Housing Market Area, Local Authority level and sub-local authority level within the HMAs.

- Provide housing need projections across all tenures for 15 years at Housing Market Area and Local Authority level within the Housing Market Areas, i.e. total, intermediate and social housing need requirements.

- Apply a range of scenarios to the 15-year housing need assessment calculation, i.e. standard, high-level and low-level housing requirements to accommodate potential variations in performance of the housing market, economy and the policy environment.

- Engage with local authority planners to clarify the most critical issues the housing systems analysis should address, and which will be practical to deliver in light of data availability.

1.4 Approach

For each SHMA, the approach comprised three main components, as follows.

- Data collection and analysis, including the collection of demographic, housing market and economic data.

- Consultations with LGD planners as well as interviews with key informants and estate/letting agents.

- Projecting housing need and demand. A two-stage approach was employed, based on the net stock model (NSM) to project new dwelling requirements and an affordability model for the tenure splits.

Reflecting the approach, the SHMA reports each contain sections dealing with the following topics:

- **Policy and wider context**.

- **Spatial framework**, including Local Government Districts, the urban-rural dimension and subareas.

- **Population** trends and projections for the HMAs, as well as by LGD, subarea and settlement type.

- **Household** trends and projections.

- **Housing market** trends and indicators, including house prices, transactions, completions, private rents, the social sector and tenure.

- Profile of **the housing stock and the occupancy of dwellings**.

- The findings from the application of a net stock model to project new **housing requirements**, for a given rate of household growth and including also a net backlog component, i.e. households in need who lack their own self-contained accommodation. Based on affordability tests, the projected housing requirements are assigned to market, intermediate and social tenures.

1.5 Structure of the Report

As the SHMA reports provide detailed analysis across the 11 HMAs, this summary report focuses on the findings at Northern Ireland level, with geographical detail by Local Government District.

Section 2 presents an overview on **the policy context**, in relation to planning policy, the Programme for Government, and welfare reform, with particular reference to housing. The Section also considers **the wider context**, notably the Covid-19 pandemic and the implications of the UK's exit from the European Union.

Section 3 combines the results for the **new housing requirement and tenure projections** presented in each of the SHMA reports, aggregated to the Northern Ireland and LGD levels.

This Summary Report is accompanied by three Appendices which provide data and analysis at Northern Ireland level, as context for the SHMA reports, as follows:

- Appendix A Population and Households.
- Appendix B Housing Market.
- Appendix C Tenure and Affordability Trends.

All percentage figures shown are calculated from unrounded data. As percentages are presented in rounded numbers, components may not add to the total shown. Population and other counts or estimates are presented in tables and charts rounded to the nearest 10 or 100. Therefore, components of a population or other total may not add to the total shown in a table or chart.

2 Policy Context

This Section presents an overview on the policy context for the SHMAs, under the following headings:

- Planning policy.
- Programme for Government, with particular reference to housing.
- Welfare reform, again focusing on aspects relevant to housing.

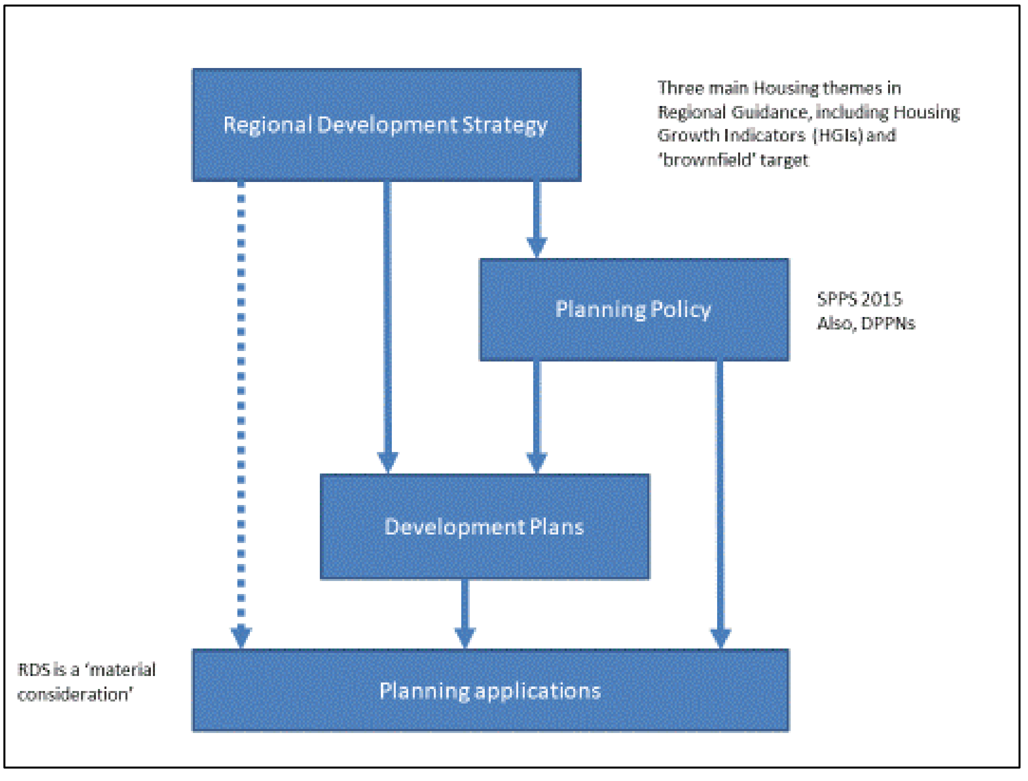
The Section concludes with a discussion of the wider context, in particular the Covid-19 pandemic and the UK's exit from the European Union (Brexit).

2.1 Planning Policy

The planning policy framework within which this SHMA sits is summarised in Figure 2.1 and includes:

- The Regional Development Strategy 2035.
- Strategic planning policy.
- Local development plans.

Figure 2.1 Policy context: Planning



2.1.1 Regional Development Strategy

The Regional Development Strategy (RDS) aims to provide “an overarching strategic planning framework to facilitate and guide the public and private sectors”. It was conceived as the spatial framework for the delivery of the Northern Ireland Executive’s Programme for Government with the intention of informing the spatial aspects of the strategies of Government Departments.

As a strategic framework, the RDS mainly serves to provide guidance to bodies such as Local Government Districts (LGDs) in exercising functions such as the preparation of Local Development Plans (LDPs). The 2035 iteration of the RDS contains three themes relating to housing. One of those themes is to “manage housing growth to achieve sustainable patterns of residential development”. As part of that theme, and to promote development within existing urban areas, the RDS has set a regional target for 60 per cent of new housing to be located in appropriate ‘brownfield’ sites within the urban footprints of settlements greater than 5,000 population. Also under the housing theme, the Department for Infrastructure (DfI) produces Housing Growth Indicators (HGIs) at LGD level to “provide an indication of future housing need in Northern Ireland”.

The most recent Housing Growth Indicators were published in September 2019, based on the NISRA 2016-based household projections, which were commissioned by the Housing Executive. The 2016-based HGIs replaced the previous 2012-based HGIs, which had been prepared from NISRA’s 2012-based household projections.

In the text accompanying the HGIs, DfI states that the estimates “are purely for guidance and should not be considered as a cap or a target on development”. Rather, they represent a “starting point which can subsequently be adjusted”. That is an appropriate caution, as the HGIs are purely trend-based extrapolations and contain no policy content. Nonetheless, the HGIs are tied to expectations of future household growth, which is the main component in projecting new dwellings required to meet housing need and demand.

Most LGDs have sought within their local development plans to reflect the HGIs in making estimates of proposed allocations of land to meet the projected housing requirements. Prior to the issuing of the 2016-based HGIs, seven of the 11 LGDs had perfectly aligned their proposed allocations with the previous 2012-based HGIs (albeit proposed allocations have evolved and been refined in some LDPs).

Within the managing housing growth theme, and with reference to ensuring an “adequate and available supply of quality housing”, the RDS states that planners should take account of Housing Needs Assessment (HNA)/Housing Market Analysis (HMA) when allocating land, “including land for social and intermediate housing and affordable housing”.

2.1.2 Strategic Planning Policy

The 2015 Strategic Planning Policy Statement (SPPS) was issued following the reform of the planning system from a unitary structure (where all powers rested with the Department) to a new two-tier model of delivery where councils have primary responsibility in relation to, *inter alia*, local plan making. The *Housing in Settlements* Section of the SPPS sets out eight processes for allocating housing land. The first process listed identifies the HGIs as a starting point. The processes also include Housing Needs Assessment (HNA)/Housing Market Analysis (HMA), in the following terms:

> "Provides an evidence base that must be taken into consideration in the allocation, through the development plan, of land required to facilitate the right mix of housing tenures including open market and special housing needs such as affordable housing, social housing, supported housing and Travellers accommodation. The HNA will influence how LDPs facilitate a reasonable mix and balance of housing tenures and types. The Northern Ireland Housing Executive, or the relevant housing authority, will carry out the HNA/HMA".

The SPPS also provided a definition of 'affordable housing', i.e. social rented housing and intermediate housing (see Box 2.A). That definition was updated by the Department for Communities (DfC) in April 2021. The updated definition, discussed further below, has since been adopted by DfI for planning purposes within the SPPS. As well as social rented housing and intermediate housing for sale, the definition now includes intermediate housing for rent. It should, however, be noted that the definition included in the SPPS published in September 2015 was still current when LGDs were gathering evidence for their Local Development Plans.

Box 2.A Affordable housing: Strategic Planning Policy Statement definition (September 2015)

Social rented housing is housing provided at an affordable rent by a Registered Housing Association; that is, one which is registered and regulated by the Department for Social Development[7] as a social housing provider. Social rented accommodation should be available to households in housing need and is offered in accordance with the Common Selection Scheme, administered by the Northern Ireland Housing Executive, which prioritises households who are living in unsuitable or insecure accommodation; and

[7] Since the SPPS was issued, and following the re-organisation of Northern Ireland government Departments, the functions of the former Department for Social Development have been subsumed within the Department for Communities.

Intermediate housing consists of shared ownership housing provided through a Registered Housing Association (e.g. the Northern Ireland Co-Ownership Housing Association) and helps households who can afford a small mortgage, but that are not able to afford to buy a property outright. The property is split between part ownership by the householder and part social renting from a Registered Housing Association. The proportion of property ownership and renting can vary depending on householder circumstances and preference.

Source: DfI, Strategic Planning Policy Statement, September 2015, page 114.

2.2 Programme for Government

In January 2021, the Northern Ireland Executive published a draft Outcomes Framework Consultation Document. The consultation closed in March 2021 and the responses are now being considered. Nine outcomes were specified in the draft Framework, with housing listed as a Key Priority Area under the following outcomes:

- We live and work sustainably – protecting the environment. The housing priority is about maintaining and developing the housing stock in an energy-efficient and sustainable manner.

- We have a caring society that supports people throughout their lives. The main focus of the housing priority is tackling homelessness and investing in new social and affordable homes.

- People want to live, work and visit here. The housing priority aims to "ensure everyone has access to good-quality, affordable housing and in promoting an integrated, shared society".

While the preparation of a new PfG stalled in the face of the need to tackle the coronavirus pandemic, housing policy has continued under development.

2.3 Housing

The housing priority is being developed under four main themes, as follows:

- Increasing housing supply/options across all tenures.

- Making the best use of existing housing.

- Improving the private rented sector.

- Improving housing for the most vulnerable.

2.3.1 Increasing Housing Supply

As stated in the New Decade-New Approach document, the main thrust of the housing supply theme is to "enhance investment and agree a target for new social and affordable home starts". No targets have yet been set but in a statement made in November 2020, the DfC Minister noted that the Executive has "never achieved more than 2,200 social new build starts in one year" and expressed an ambition to remedy the position.

Following a Call for Evidence carried out over the period May to July 2021, DfC published a consultation on the new Housing Supply Strategy in December 2021, running until February 2022. In the Foreword to the Strategy, the Minister stated her aim for the Strategy in the following terms:

> "My aim for this Strategy is to create a housing system that can deliver 100,000 plus homes over its 15 year lifetime. I want at least a third of these homes to be social homes. I also have an ambition to deliver a significant number of intermediate homes".

The Strategic Framework for the Strategy is rooted in the draft PfG outcomes, with the following objectives for the 15-year period to 2037:

- Increase housing supply and affordable options across all tenures.
- Prevent homelessness and reduce housing stress and prioritise housing solutions for those who are most in need.
- Improve housing quality.
- Ensure the provision of housing options that contribute to the building and maintenance of thriving, inclusive communities and places.
- Reduce whole-life carbon emissions from both new homes and existing homes and support a 'just transition' to carbon neutrality.

The outcomes and objectives of the Housing Supply Strategy clearly cut across central government departments, local governments and the third sector, including Housing Associations.

In Northern Ireland, all social rented housing is developed and delivered by Housing Associations registered with DfC[8]. Housing Associations finance new developments through a mixture of grants and loan finance. Enhanced investment to increase the number of social housing starts will therefore

[8] The list of Housing Associations is available at https://www.nidirect.gov.uk/contacts/housing-associations.

depend on the ability of Housing Associations to access finance, in addition to the quantum of public funds that may be made available.

In 2016, the Office for National Statistics (ONS) announced its intention to re-classify Housing Associations as public sector organisations from November 2017. If the re-classification were to proceed, the debt held by Housing Associations would be categorised as public sector debt and count against the Northern Ireland budget, thereby hampering the ability of Housing Associations to borrow for housing development. The UK Treasury put in place a derogation to postpone the classification, which expired in March 2021.

However, the legislation required to enable a reversal of the ONS decision has been passed in the Northern Ireland Assembly (the Housing Amendment Act (Northern Ireland) 2020) and received Royal Assent on 28 August 2020. In the absence of the legislation, the number of new social homes built by Housing Associations could have fallen by up to 50 per cent. DfC would also have been constrained in funding the Northern Ireland Co-ownership scheme. One of the legislative changes required to obtain the reversal of the decision to reclassify Housing Associations as public sector bodies, included an end to the compulsory need for registered Housing Associations to operate a House Sales Scheme.

As part of the approach to increasing housing supply, DfC is also considering how to expand the range of intermediate housing products for low and middle-income households that can afford social housing but cannot afford market rents and/or house purchase. Currently, shared ownership is the primary intermediate housing product in Northern Ireland. The main provider is Co-Ownership, a registered Housing Association that was established in 1978 and which has since assisted over 30,000 households. In 2020, Co-Ownership was allocated £158 million in funding by the Department for the period to 2024.

The Department is also engaged in developing policy around affordable housing. Following a consultation exercise, in April 2021 the Department published a revised definition of affordable housing, as follows:

> Affordable housing is:
>
> a) Social rented housing; or
>
> b) Intermediate housing for sale; or
>
> c) Intermediate housing for rent
>
> that is provided outside of the general market, for those whose needs are not met by the market. Affordable housing which is funded by Government must remain affordable or alternatively there must be

> provision for the public subsidy to be repaid or recycled in the provision of new affordable housing.

The Department’s explanatory note goes on to state that:

> Affordable housing is available to households who otherwise could not house themselves, for example, because they would struggle to afford the cost of housing in the open market, or they need a specific type of house which is not commonly available. It is provided outside the general market i.e. it is not a home bought privately or a home rented from a private landlord. It is therefore not available to households who can meet their own housing needs without Government support.

In the 2019 DfC consultation paper, the drivers behind the new definition were set out as follows:

- Changes in the policy and funding environment, including “new Government funding streams, the Housing Association sector’s desire to diversify and grow, and innovative new construction methods and products from private developers”. (Para. 5.1). Those factors, it is stated, are opening up opportunities for new affordable housing products.

- Providing clarity on the provision of affordable housing options to organisations and actors in the housing market, such as the Housing Executive, Housing Associations, Councils, private developers and private landlords.

- Targeting resources, having regard to the current funding environment and pressures on revenue and capital funding.

- To assist Councils in bringing forward appropriate policies in their new Local Development Plans, specifically to “provide clarity in terms of the provision of housing development with homes in a range of sizes and tenures – supporting the creation of more balanced sustainable communities”.

The DfC paper concluded that “there is clear potential to broaden the focus for intermediate housing to include groups such as, active older people, those with disabilities and those on low incomes but who do not have sufficient points for social rented housing”. While it is well understood, the current intermediate product – shared ownership – is largely focused on first-time buyers. In the consultations for the SHMAs, Housing Associations expressed an appetite to cater for a broader range of target groups, such as older people looking to relocate.

The Department is currently examining options for an intermediate rent product to augment the range of affordable housing options currently available (social rented and shared ownership). In October 2021, the Department commenced a Consultation on Intermediate Rent Development of Policy and Model. The consultation is based around an intermediate rent product proposed in a report by the Collaborative Centre for Housing Evidence (CaCHE).

The main features of the proposal are as follows:

- Intermediate Rents will be normally set at up to 80 per cent of local market rents. Rents will be reviewed regularly. This aims to assist lower income households who are currently paying in excess of 30 per cent of their income on housing costs.

- Intermediate Rents will initially be set at up to 80 per cent of market rent for the same type and size of property within the same geographical area. Regular rent reviews will operate, and an agreed uprating formula will be used to determine rent increases.

- Targeting Intermediate Rent homes to lower income households is central to the programme. There will therefore be an income eligibility criterion.

- Intermediate Rent tenancies would be offered for a duration of (up to) 5 years. Tenancies will be reviewed and may be renewed. Where a tenant moves on, the programme operator will work with them as they transition to a new home.

The consultation period ran through to mid-January 2022. Subsequently, in late-March 2022, the Department published a Consultation Outcome Report. While the majority of respondents were in favour of the development of Intermediate Rent, a number of issues remain unresolved and development work is ongoing.

In January 2021, the DfC Minister outlined plans for fundamental changes to the Housing Executive, to enhance its role in increasing the supply of social housing and reducing housing stress[9]. These include:

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[9] Households in housing stress are those whose application for social rented housing has 30 or more points under the Housing Selection Scheme. Currently, social housing in Northern Ireland is allocated under the Housing Selection Scheme ('the Scheme'). The Scheme comprises a Common Waiting List and a Common Selection Scheme for the assessment of all applicants for social housing, encompassing applications to and allocations made both by the Northern Ireland Housing Executive and registered Housing Associations. Applicants are awarded points against the criteria specified in the scheme (intimidation, insecurity of tenure, housing conditions, health and social wellbeing), to reflect their level of housing need. For an overview on the Scheme, see DfC, 2017, Fundamental Review of Housing Allocations, pages 46-49.

- Changing the status of the landlord part of the Housing Executive so that it may borrow, invest in homes and build again.

- Consulting on the Housing Executive's House Sales Scheme to protect the current supply of social housing.

- Reintroducing ring-fencing of the new build Social Housing Development Programme (SHDP) to prioritise certain areas of highest housing need.

- Introduce reform of the social housing allocations system.

- Ensure the Housing Executive prioritise adaptations.

2.3.2 Use of Existing Housing

A range of challenges to optimising the use of existing social sector housing were identified in New Decade-New Approach, including:

- Tackle the maintenance backlog for Northern Ireland Housing Executive properties. In 2018, the Housing Executive estimated it needed £7.1 billion investment over 30 years with £3 billion required in the next 11 years. However, the Housing Executive can only afford half of the required investment, which puts half of its stock of 86,000 homes at risk.

- To help meet the Housing Executive's investment challenge, examine options to remove historical debt from the NI Housing Executive and exclude it from having to pay Corporation Tax. In March 2021, it was announced by the UK Chancellor that NIHE is now exempt from paying Corporation Tax (effective from 1st April 2020). This brings NIHE in line with other public sector bodies and social housing providers (NIHE, Annual Report 2020/2021).

- Set a long-term trajectory for the rental charges for NI Housing Executive homes, which is sustainable and is affordable to tenants. Housing Executive rents have been frozen since 2015, thereby reducing the funds available to undertake necessary maintenance work. The freeze was to have been lifted on 1 April 2020, with a rent increase of 2.7 per cent. This was deferred to 1 October 2020 due to the coronavirus pandemic and has since been implemented.

The Department will also end the mandatory house sales scheme for Housing Associations, under Section 7 of the Housing (Amendment) Act

(Northern Ireland) 2020[10]. The right-to-buy for Housing Association tenants ends in August 2022. As house sales reduce the stock of social dwellings, ending the mandatory right to buy is expected to have a positive effect on the availability of dwellings for relets[11], which are the main source of allocations to applicants on the Common Waiting List (CWL)[12].

For the same reason, the Department is also considering the future of the Housing Executive House Sales Scheme. Housing Executive sales to sitting tenants have declined sharply over the last decade and a half. In 2018-19, 449 dwellings were sold to sitting tenants, falling to 249 in 2020-21. Nonetheless, such sales reduce the stock available for relets.

In recent years, the number of social housing applicants assessed as being in housing stress has been rising steadily, up from 22,100 in 2014-15 to 27,750 in 2019-20. In that same period, social housing allocations to applicants have been relatively static (averaging 7,550 per annum). Those trends provide important context for the efforts to make best use of existing housing, including the ending of mandatory house sales. The increasing numbers in social housing stress also acts as a spur to the development of affordable intermediate housing options.

2.3.3 Improving the Private Rented Sector

According to the Housing Executive's 2016 House Condition Survey (HCS), the private rented sector now provides accommodation for close to one in five households in Northern Ireland (18 per cent), up from 11.5 per cent in the 2006 HCS. Within that context, the policy thrust is to improve the safety, security, and quality of the private rented sector. In January 2017, DfC issued a consultation paper setting out proposals for change in the private rented sector in Northern Ireland, under the headings of affordability, security of tenure, tenancy management, property standards and dispute resolution.

Subsequently, the Private Tenancies Bill was introduced for consideration by the Northern Ireland Assembly. The proposed changes include restrictions on rent increases to once every 12 months and, for tenancies over 12 months, extending the notice to quit periods that a landlord must give tenants. The legislation completed its final stage on 15 March 2022. It received Royal Assent on 27 April 2022 and is now the Private Tenancies Act (Northern Ireland) 2022.

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[10] Under Section 8 of the Act, the Department may make grants for support of non-statutory right-to-buy schemes.
[11] Where a social housing property becomes vacant and is then available to be let to another household.
[12] In the financial year 2018-19, 7,696 social housing allocations were made to applicants and 2,748 to tenants transferring from an NIHE or Housing Association property (Source: DfC, Housing Statistics 2018-19, Table 3.5). The total allocations include both relets and newly completed properties.

In the private rented sector, a number of measures have been implemented to help households sustain their tenancies through the difficulties posed by the coronavirus pandemic. In May 2020, the Northern Ireland Assembly passed the Private Tenancies (Coronavirus Modifications) Regulations (Northern Ireland) 2020, providing for landlords to give 12 weeks' notice to quit. That measure was originally intended to operate through September 2020, but was subsequently extended to May 2022.

2.3.4 Homelessness

The primary means of addressing homelessness is through the allocation of social housing to applicants on the Common Waiting List who have been assessed as homeless. In addition, the Housing Executive has sought to develop preventative approaches.

Since 2010, the Housing Executive has had a legislative duty to formulate and publish a strategy for homelessness setting out how it intends to prevent homelessness, provide sufficient accommodation, advice, and assistance. The current homelessness strategy, Ending Homelessness Together was published in March 2022 for the five-year period through to March 2027. The strategy has three aims:

- Prioritise homelessness prevention.
- Address homelessness by providing settled, appropriate accommodation and support.
- Support customers to transition from homelessness into settled accommodation.

The Covid-19 pandemic had a major impact on the Housing Executive, both through the adoption of working practices to contain and delay the transmission and in response to the housing needs arising from the pandemic. The measures adopted to contain and delay the transmission of the virus included:

- Changes to the renewal process. Between March 2020 and December 2020, applicants on the Common Waiting List (CWL) were not issued with the usual renewal forms.
- Restriction on works to emergency repairs only.
- Reduction in new build.

In combination, those measures disrupted the level of off-flows from the CWL. The changes to the renewal process meant that applicants remained on the CWL, whereas in normal circumstances they may have flowed off by de-registering. The restriction of works to emergency repairs reduced the number of relets available to allocate to CWL applicants. Similarly, the reduction in new build resulted in fewer dwellings available for allocation to applicants. Both of those measures would therefore have reduced the number of off-flows from the CWL.

Over the period from mid-2019 to October 2021, the number of applicants on the CWL increased by 20 per cent, including those in housing stress (30+ points on the CWL) and other applicants with fewer points (Table 2.1). It is not, however, possible at this time to separate out the effects of housing difficulties owing to the pandemic from the effects of the measures adopted in response to the pandemic.

Table 2.1The Common Waiting List

	June, 2019	October, 2021	Change	
	No.	*No.*	*No.*	*%*
Applicants[1]	37,385	44,837	7,452	19.9
In housing stress[2]	25,921	31,129	5,208	20.1
Other	11,464	13,708	2,244	19.6
Social tenants[2]	10,858	12,134	1,276	11.8
In housing stress[3]	6,553	7,603	1,050	16.0
Other	4,305	4,531	226	5.2
All	**48,243**	**56,971**	**8,728**	**18.1**

1 Applications to the CWL from households that do not currently have a social tenancy. 2 With 30 or more points on the CWL. 3 Applications to the CWL from those already in a social home seeking a transfer.
Source: NIHE.

2.3.5 Rural Housing Strategy

Under the Rural Needs Act (NI) 2016, the Housing Executive has a statutory duty to pay due regard to the needs of rural communities in the development of policies, strategies and plans and in the delivery of services. The Housing Executive's first Rural Policy was developed in 1991 and "recognised the need to identify housing need which was often hidden or 'latent' in rural areas" (NIHE, *Reaching Rural*, p. 4).

The most recent Rural Strategy covered the period 2016-2020. In November 2021, the Housing Executive published its Rural Strategy 2021-2025 which aims to promote "Vibrant, shared, healthy and sustainable rural communities where everyone has access to decent and affordable housing". The Rural Strategy themes are as follows:

- Supporting rural customers. This theme is focused on meeting the particular needs of rural customers, as households in rural locations may face particular challenges, for example, in accessing services.

- Enabling the provision of affordable homes. This theme seeks to address two main issues constraining the provision of affordable housing in rural areas, i.e. the availability of suitable sites and identifying evidence that there is demand for affordable housing. It is recognised that implementing the theme will involve working with local Councils to help shape planning policies that will deliver affordable homes.

- Securing the future of rural communities. Within the context of the UK Government's net zero greenhouse gas emissions by 2050, this theme seeks to contribute to the inclusive and sustainable growth and increased climate resilience of rural communities.

2.4 Welfare Reform

Over the last decade, the UK Government has enacted a raft of legislation designed to reform the benefit system. The reforms have been implemented with the aim of streamlining the system and to reduce welfare expenditure.

The reform agenda commenced in October 2010 when the UK government announced plans to introduce the Universal Credit (UC) as a means of integrating and simplifying means tested welfare benefits and in-work tax credits for working-age adults. Universal Credit comprises a single means-tested benefit for working age claimants, including an allowance for housing costs, whether they are unemployed or in low-paid work.

The Government's plans were given legislative effect through the Welfare Reform Act 2012. The 2012 Act also introduced changes to Housing Benefit which reduced the amount payable to social sector tenants who were deemed to be 'under-occupying' their dwelling according to the social sector size criteria[13].

The Welfare Reform and Work Bill introduced to the House of Commons on 9 July 2015 forced all English social landlords to cut their rents by one per cent annually. That measure was taken to reduce Housing Benefits payable to social tenants as a further means of cutting welfare expenditure. Pressure was placed on devolved governments to follow suit, resulting in the Housing Executive rent freeze discussed above.

Private rented sector tenants have also been affected by welfare reform, again for generating savings on welfare expenditure. Since 2008, private rented sector tenants have received a Local Housing Allowance (LHA) rather than Housing Benefit.

[13] For a description of the criteria, see Gov.UK, Housing Benefit: What you'll get.

When first introduced, LHA was intended to be set at a level that would encompass 50 per cent of local area rents[14]. In 2011 that was reduced to 30 per cent of local area rents[15] and in 2012, the link between the LHA rates and local rents was broken, with the introduction of annual uprating in line with the Consumer Price Index (CPI). LHA rates were then frozen from April 2016 to March 2020, when uprating with the CPI was restored. In addition, from 2012, the shared accommodation rate was extended to those living alone in the private rented sector and aged under 35[16].

In response to the pandemic, the Chancellor uprated Local Housing Allowance (LHA) rates so that they were aligned with the 30th percentile of private sector rents in each Broad Rental Market Area (BRMA). Those new rates became effective on 30 March 2020 for the financial year through to April 2021. While the uplift in LHA rates was made permanent, the rates determined on 30 March 2020 were frozen for the year March 2021 to April 2022.

The 2008 LHA reforms were introduced in Northern Ireland in tandem with the rest of the UK. Subsequent changes to the LHA regime have also been implemented concurrently with the rest of the UK, including the 2020-21 uplift in LHA rates. Northern Ireland has 40 separate LHA rates (five bedroom size categories within each of eight BRMAs) and the average (unweighted) increase in LHA rates was 12 per cent, albeit the 2021-22 LHA rates were frozen for the year 2021-22, in line with the rest of the UK.

The remaining reforms, notably Universal Credit and the social sector size criteria, were not implemented until the Welfare Reform (Northern Ireland) Order 2015 came into effect on 9 December 2015[17]. The 2015 Order brought the system in Northern Ireland into alignment with the rest of the UK. Additional provisions for Welfare Reform were introduced under the Welfare Reform and Work (Northern Ireland) Order 2016.

Universal Credit was rolled out across Northern Ireland on a phased basis between October 2017 and December 2018. The rollout was for new claims only, with migration of existing claimants of ‘legacy benefits’ such as Income Support and Jobseekers Allowance scheduled to commence in 2020 and complete by 2023. That schedule is subject to change due to the

[14] That is, LHA rates (by bedroom entitlement) were intended to be set with reference to the median rent in geographic areas known as Broad Rental Market Areas (BRMAs), so that LHA recipients would have access to rental properties in the lower half of the local area market.
[15] That is, by setting the LHA reference rent to the 30th percentile of local area rents.
[16] The shared accommodation rate restricts the amount of benefit to the amount allowed for someone living in accommodation with access to one bedroom and shared use of facilities such as a kitchen and applies even where the tenant is actually living in self-contained accommodation, whether that be an apartment or a house. Certainly, across Northern Ireland’s rental market areas, the shared rate is below the LHA rate for self-contained accommodation; the 2020-21 LHA rates can be found at https://www.nihe.gov.uk/Housing-Help/Local-Housing-Allowance/Current-LHA-rent-levels.
[17] For details of the welfare reforms in Northern Ireland, see NIHE, 2018, Welfare Reform in Northern Ireland: A Scoping Report.

coronavirus pandemic. In England and Wales, the Department for Work and Pensions (DWP) has indicated that managed migration would resume in May 2022.

While the social sector size criteria have been introduced in Northern Ireland, the effects have been mitigated to date. Thus, in Northern Ireland, most tenants affected by the criteria receive Welfare Supplementary Payments that top up their benefits. That mitigation was scheduled to cease in March 2020. However, In February 2022, the Northern Ireland Assembly passed legislation to indefinitely extend the social sector size criteria mitigation, with a review to be carried out by March 2025.

Overall, the amount of Housing Benefit received by social sector tenants has been largely protected from welfare reform measures, notably the social sector size criteria. Private rented sector tenants have not been protected. Consequently, the vast majority face a shortfall between their LHA entitlement and their weekly rent. In March 2018, over 52,000 private sector tenants were in receipt of Local Housing Allowance and 88 per cent of those tenants had a shortfall[18]. Among those with a shortfall, the average was £28, representing 29 per cent of their weekly rent.

2.5 Wider Context

The wider context for the SHMA reports has been shaped by two key events, i.e. the Covid-19 pandemic and the UK's exit from the European Union (Brexit).

Following a transition period that ran from 1 February 2020, the UK exited the European Union on 31 December 2020. The UK's exit from the EU brought to an end the free movement of workers from the remaining EU states. That has implications for future levels of migration to and from the remaining EU states.

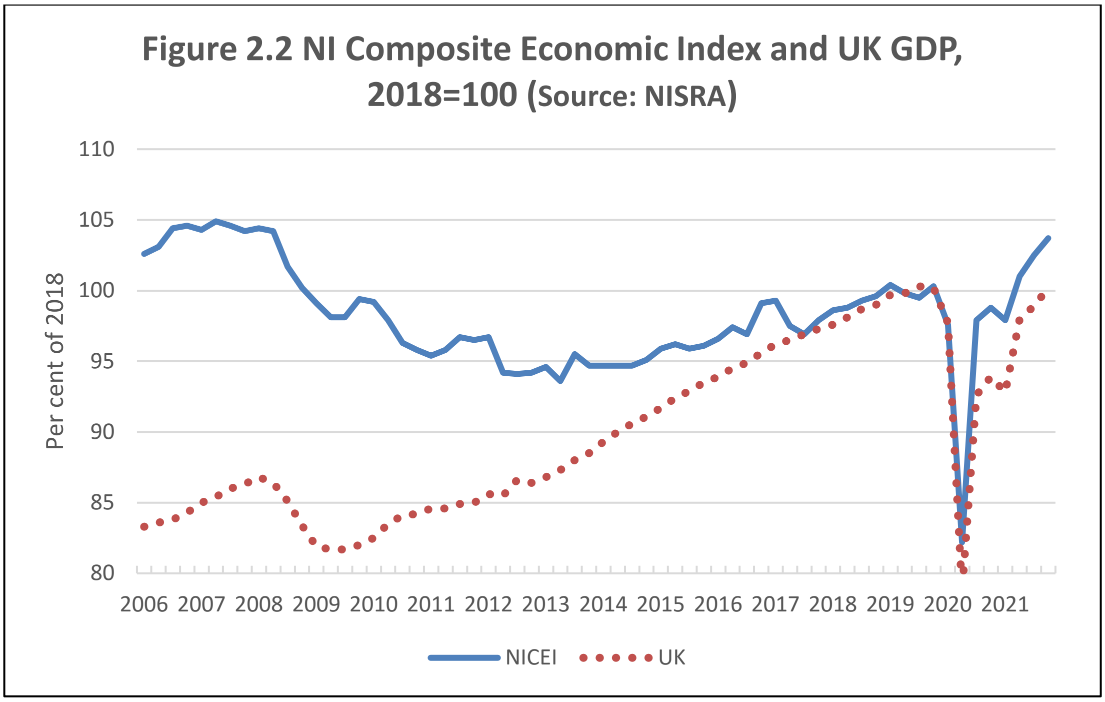
The World Health Organisation declared the Covid-19 outbreak a Public Health Emergency of International Concern on 30 January 2020 and a global pandemic on 11 March 2020. Along with the rest of the UK, Northern Ireland went into its first lockdown on 23 March 2020. The first lockdown lasted through May 2020. Since then, there have been two further waves of the virus and the same number of lockdowns, with varying levels of restrictions in place between and after each lockdown.

Notwithstanding the successful roll-out of a vaccine, and a subsequent booster programme, some restrictions remained in place at the beginning of 2022 to deal with the third wave of the virus (the Omicron variant). In

[18] See NIHE, 2019. Broad Rental Market Areas Scoping Study.

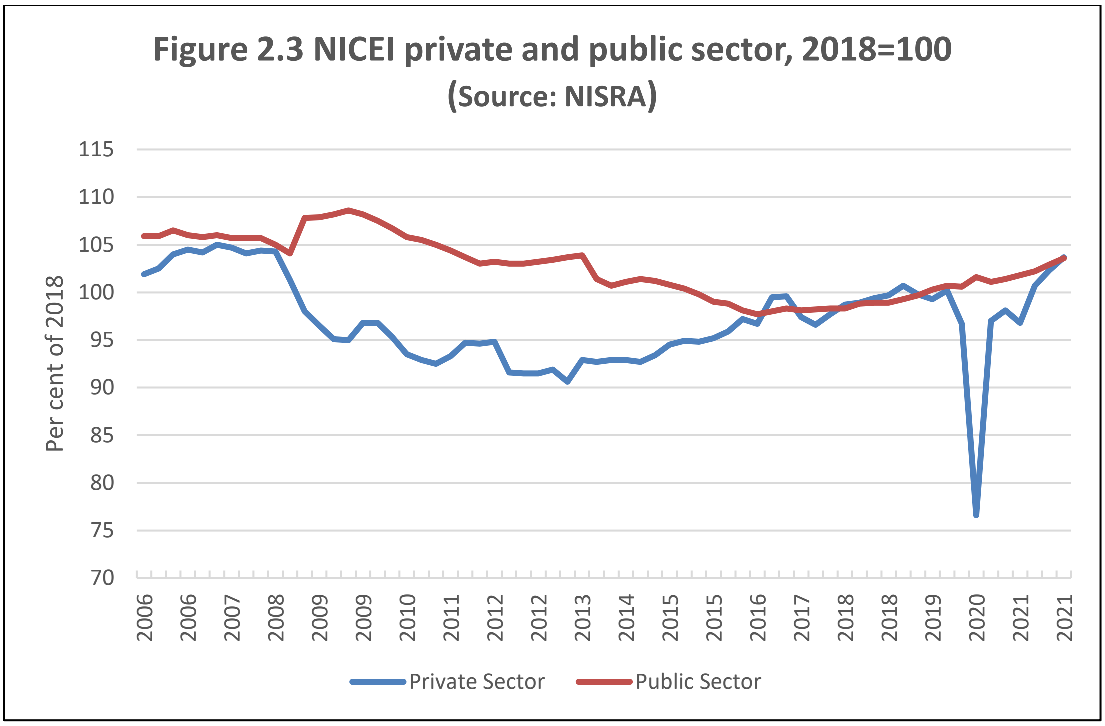
February 2022, the Northern Ireland Executive announced the lifting of most remaining restrictions.

The pandemic had widespread effects on society and the economy. With travel and movement highly restricted, and many businesses shuttered, economic output plunged during the first lockdown period (Figure 2.2). However, and contrary to expectations[19], by the second quarter of 2021, according to the NI Composite Economic Index (NICEI), Northern Ireland's output had returned to its pre-pandemic level.



Compared to the UK as a whole, Northern Ireland experienced a lower contraction and a faster rebound over the course of the pandemic. The reasons for the difference between Northern Ireland and the UK in the trajectory of output over the course of the pandemic (through mid-2021) remain to be fully explained. One possibility is that Northern Ireland's relatively larger public sector served to 'cushion' the impact of the pandemic on output levels[20]. Over the course of the pandemic, public sector output did not fall while private sector output fell by almost 25 per cent in the second quarter of 2020 (Figure 2.3).

[19] Writing in May 2020, early in the pandemic, Birnie and Brownlow speculated that "Northern Ireland's economy may take many years to return to the level of output attained in 2019".
[20] In the NICEI, public sector 'output' is measured using employment, which is a proxy indicator whereas the UK GDP measure seeks to record actual output levels.



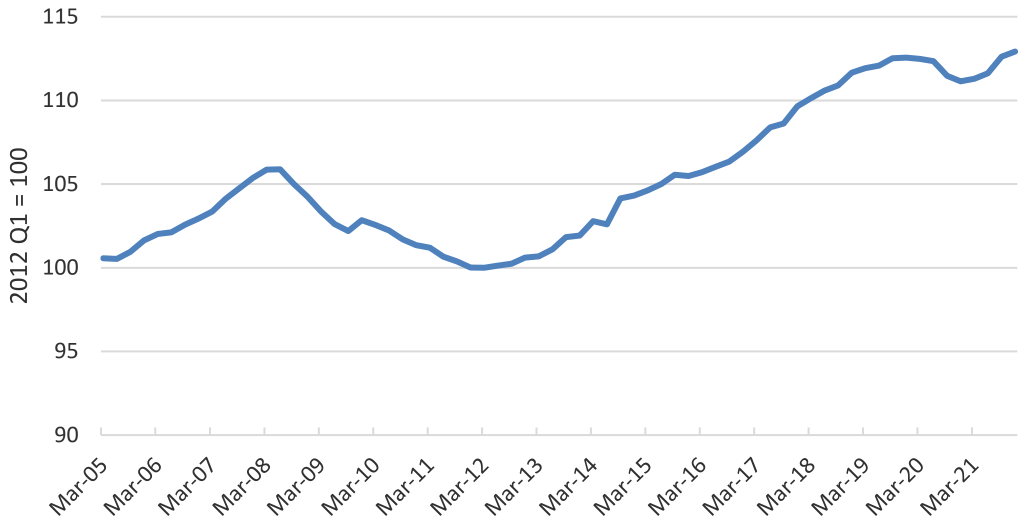
The strength of the recovery across the UK (as well as internationally) has been summarised in the following terms by the Office for Budget Responsibility (OBR):

> "The successful vaccine rollout has allowed the economy to reopen largely on schedule, despite continuing high numbers of coronavirus cases. The vaccines' high degree of effectiveness, combined with consumers' and businesses' surprising degree of adaptability to public health restrictions." (OBR, October 2021 Fiscal Outlook, page 17).

Nonetheless, it is also the case that the unprecedented levels of Government support for the economy had the effect of mitigating the most severe effects of the pandemic. That is nowhere more apparent than in the efforts made to keep workers in their jobs and help businesses survive lockdown.

After falling in the initial stages of the pandemic, by December 2021, employee jobs had risen above the pre-pandemic level (Figure 2.4). The NISRA employee jobs series shown in Figure 2.4 includes those who were furloughed under the Coronavirus Job Retention Scheme (CJRS). By mid-July 2020, 240,200 employments had been furloughed, representing 30 per cent of total employee jobs (HMRC, Coronavirus Job Retention Scheme statistics). The CJRS ended on 30 September 2021, at which time 26,300 employments were furloughed (NISRA, Quarterly Employment Survey Statistical Bulletin Q3 2021).

Figure 2.4 Employee jobs, Northern Ireland, 2012 Q1 = 100 (Source: NISRA)



Under the CJRS, the Government provided support so that furloughed employees would receive a stipulated proportion of their wages or salary[21]. Some employees were furloughed with full pay and others with reduced pay, i.e. their earnings were not topped up by the employer[22].

Judging from the [Annual Survey of Hours and Earnings (ASHE)](), average rates of pay did not decline through the pandemic. Between April 2020 and April 2021, weekly earnings of full-time workers rose by 8.8 per cent, the largest increase on record, albeit that followed the largest recorded decrease of -1.1 per cent in the year to April 2020. At least partly, the sharp rise in weekly earnings between April 2020 and April 2021 reflected the unwinding of the furlough scheme[23]. However, when the April 2021 increase is combined with the April 2020 decrease, NISRA's ASHE report notes that the average annual change between 2019 and 2021 was still above the historical (pre-2019) annual average increase in weekly earnings (NISRA, 2021, page 7).

[21] In the first iteration of the scheme, to end-July 2020, employers could claim a grant of 80 per cent of furloughed employees' pay, up to a maximum of £2,500 per month. From August 2020 onwards, the proportion covered reduced to 70 per cent (September 2020) and, from 1 October 2020, to 60 per cent, up to a maximum of £2,187.50 per month.
[22] In NISRA's report on Employee Earnings in 2021 it is reported that seven per cent of the employees covered by the survey were furloughed with reduced pay with a further 11 per cent of employee jobs identified as furloughed.
[23] The earnings estimates for 2021 relate to the pay-week that included 21st April 2021. The coronavirus furlough scheme was still available to businesses in that week. In the pay-week that ended 21st April 2021, the proportion on furlough was seven per cent, down from 16 per cent in the pay-week that ended 21st April 2020. According to NISRA, the majority of workers coming off furlough would have received a 25 per cent increase in pay.

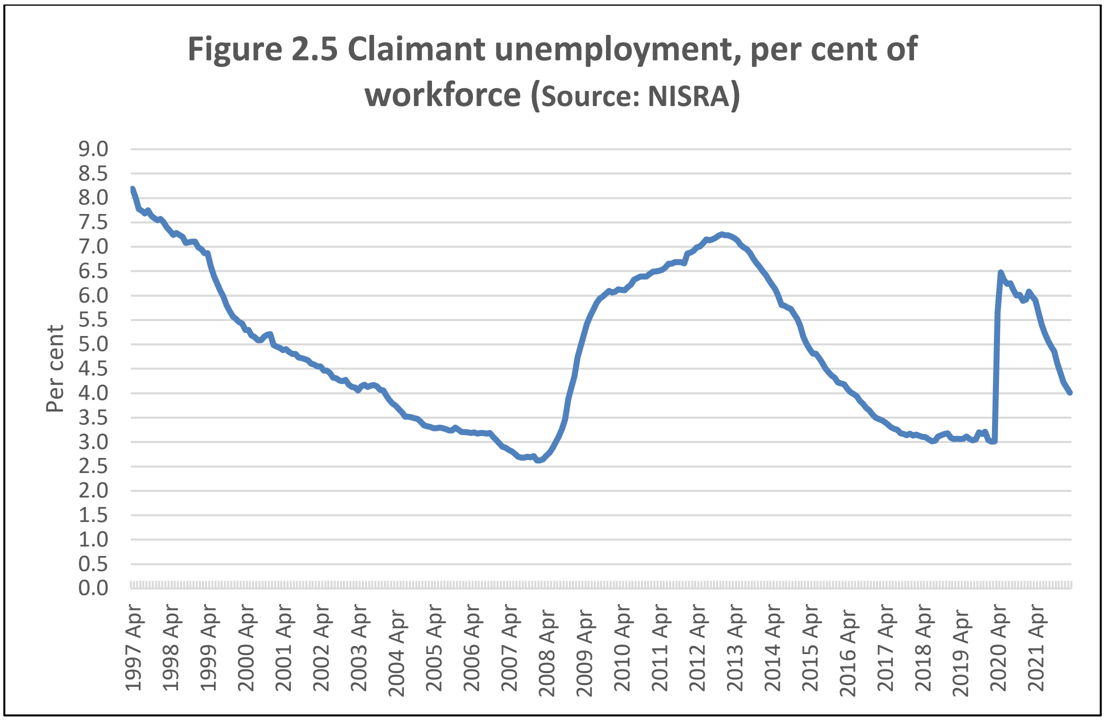
It can also be noted that median annual earnings for full-time employees increased by an estimated 1.7 per cent in the year to April 2021[24]. At least partly, the more modest increase in annual earnings was because some employees would have received both full and lower furlough pay over the twelve months from April 2020 to April 2021.

The Government also provided support for the self-employed, via the Self-Employed Income Support Scheme (SEISS). By end-June 2020, 76,000 SEISS claims had been made in Northern Ireland. Again, the measure provided partial income protection and eligibility was capped based on profits over the preceding three tax years.

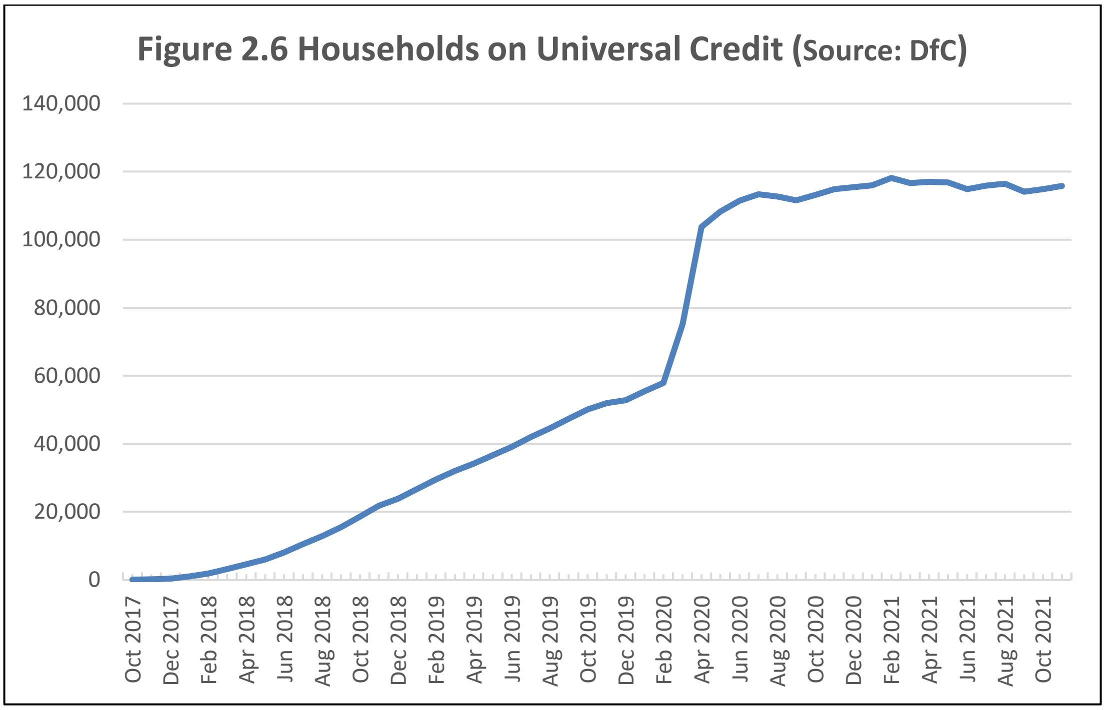
In addition to the CJRS and the SEISS, a range of other measures were introduced to help businesses survive the pandemic, including business support grants, loan schemes and deferrals of VAT and tax payments[25].

Reflecting the efforts made to support jobs and businesses, unemployment rose only modestly. On the Labour Force Survey (LFS) measure of ILO unemployment[26], the rate rose from 2.3 per cent in the period August to October 2018 to 3.6 per cent in the same period in 2021 (NISRA, Labour Market Report - December 2021). On the claimant count unemployment measure[27], there was an initial spike during the first lockdown but the rate has been falling sharply since August 2020, from a peak of 6.5 per cent down to four per cent in March 2022 (Figure 2.5).

[24] Median annual earnings relate to employees on adult rates who have been in the same job for more than a year. The ASHE collects information on the gross annual pay received by such employees for the tax year ending 5th April of the survey year.
[25] A full listing can be found at https://www.nibusinessinfo.co.uk/campaign/coronavirus-updates-support-your-business.
[26] The ILO measure is based on asking LFS respondents who are not in employment in a specified reference week whether they are available for and actively seeking work.
[27] An experimental statistic introduced to combine the historical Jobseekers Allowance (JSA) and more recent Universal Credit statistics based on those claiming principally due to being unemployed – see https://www.nisra.gov.uk/publications/claimant-count-tables. The claimant count measure is typically higher than the LFS ILO measure.



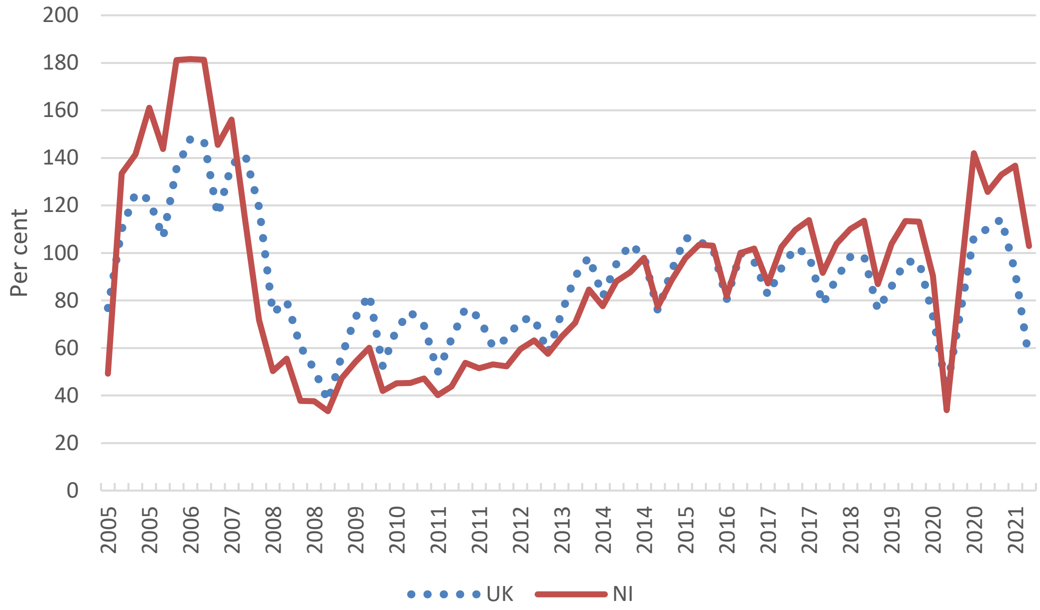
Notwithstanding the containment of output and workforce effects from the pandemic, the period proved very difficult for many households, especially those who lost their jobs or whose income was reduced through being on furlough. Thus, households on Universal Credit jumped from under 60,000 in February 2020 to over 100,000 by April 2020, climbing steadily to 118,170 by February 2021 (Figure 2.6). Since then, the number of households has stabilised but, by November 2021, had not yet started to recede.



At the outset of the pandemic, commentators had expected house prices to fall due to the severity of the economic shock and the effect that might have on households' future income expectations[28]. In anticipation of that prospect, the Chancellor introduced a measure to cancel stamp duty on all property purchases up to £500,000.

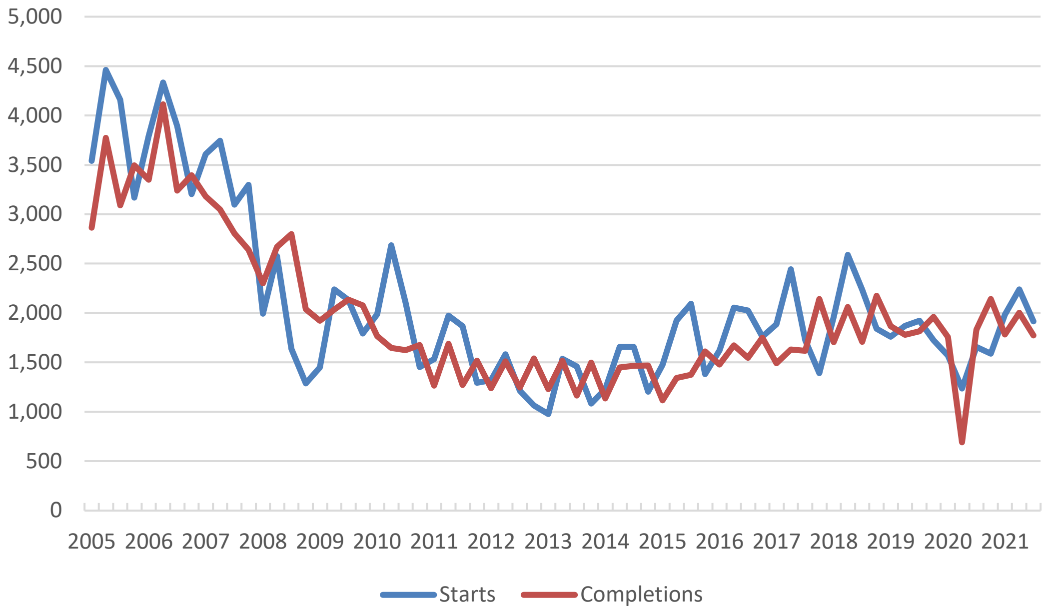
Initially, with the housing market shut down during the first lockdown, there was a sharp fall in residential property transactions (Figure 2.7). Similarly, new dwelling starts and completions also stalled (Figure 2.8). Since the housing market was re-opened in summer 2020, however, transactions have rebounded while both new dwelling starts and completions have returned to their pre-pandemic levels. Interestingly, Northern Ireland has out-paced the UK in the rebound in house sales following the first lockdown.

Figure 2.7 Residential property transactions, 2016Q3=100 (Sources: LPS, ONS)



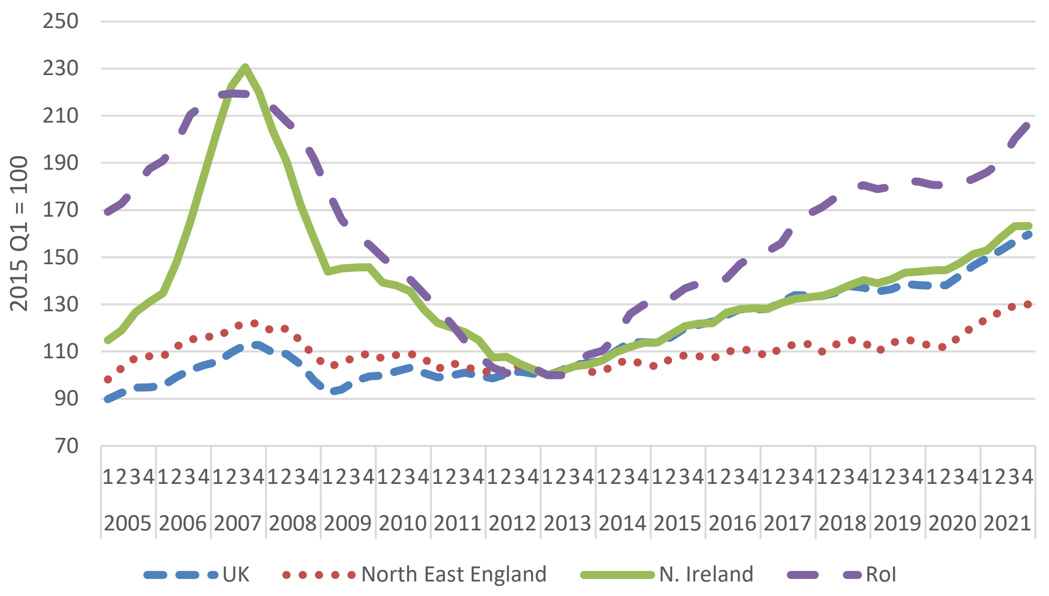
[28] For a contemporaneous summary, see the blog post by Green, titled [Property market health check: How will house prices move](#).

Figure 2.8 New dwelling starts and completions (Source: LPS)

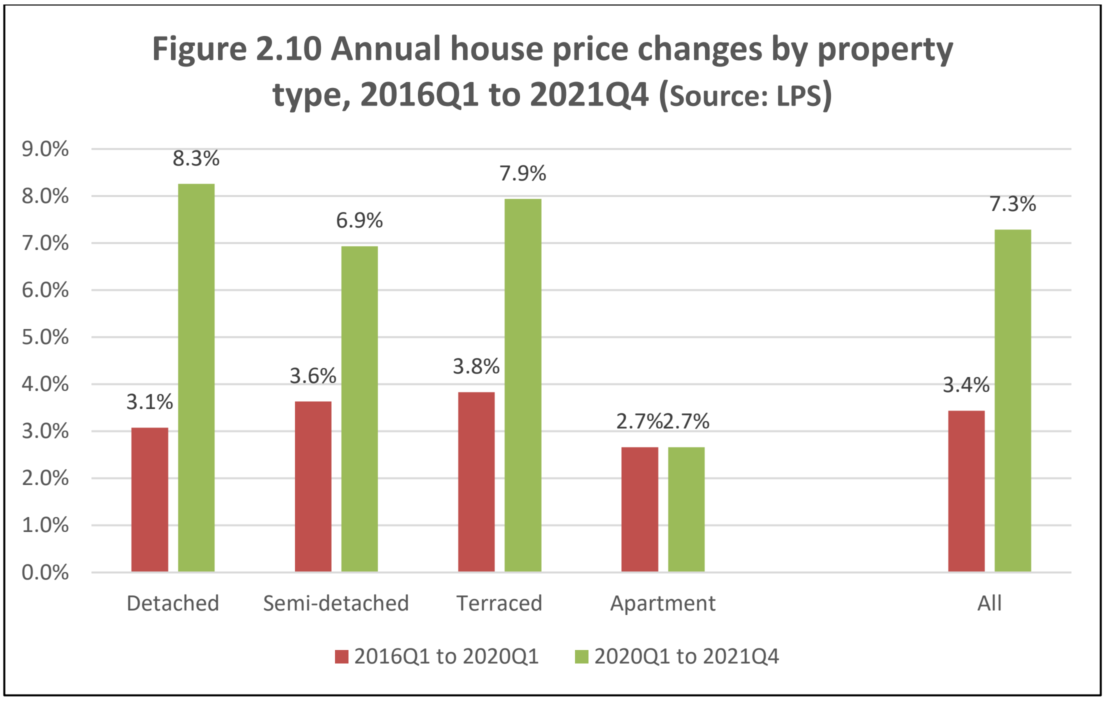


Furthermore, while price drops had initially been expected, house prices have also surged over the course of the pandemic (Figure 2.9). Northern Ireland was not alone in that regard, as house price inflation across the UK, and globally, accelerated during the pandemic.

Figure 2.9 House prices, 2013 Q1 = 100 (Sources: LPS, ONS, CSO)



By the fourth quarter of 2021, the standardised house price index had risen by 13 per cent compared with the first quarter of 2020. That represents an annualised rate of 7.3 per cent, up from a more modest 3.4 per cent per annum in the four years prior to the pandemic (Figure 2.10). While apartments have lagged (+2.7 per cent per annum), other property types have seen broadly comparable rates of change since spring 2020.



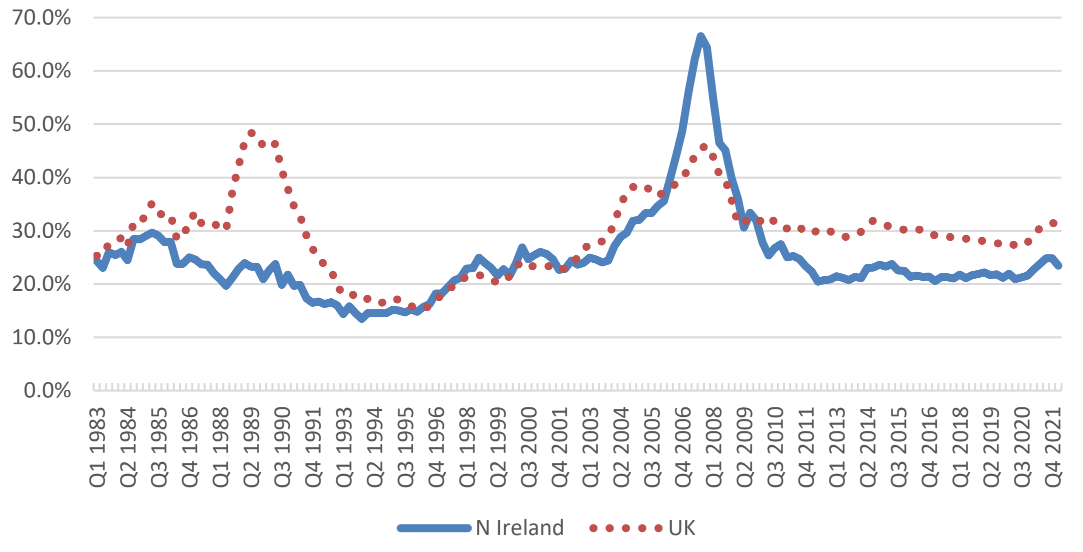
As can be seen from Figure 2.9, the Northern Ireland average rate of increase slowed in the fourth quarter of 2021, when the average price of a house rose by just 0.1 per cent compared to the previous quarter. It would not be prudent to place too much weight on a single quarter house price change. Nonetheless, higher interest rates and rising inflation, leading to pressures on household incomes, can be expected to moderate buyer demand and a reduction in the rate of house price growth can be anticipated. That is also consistent with the expectation of market commentators. For example, Property Pal's March 2022 Housing and Economic Monitor forecasts Northern Ireland house price growth of 3.2 per cent in 2022, rising modestly to 3.8 per cent by 2024.

The growth in house prices over the course of the pandemic might be expected to have affected affordability for first-time buyers. There are some indications that has been the case. For example, the Nationwide modelled affordability indicator shows first-time buyer mortgage payments as a per cent of take-home pay[29] increased from 22 per cent in the first quarter of

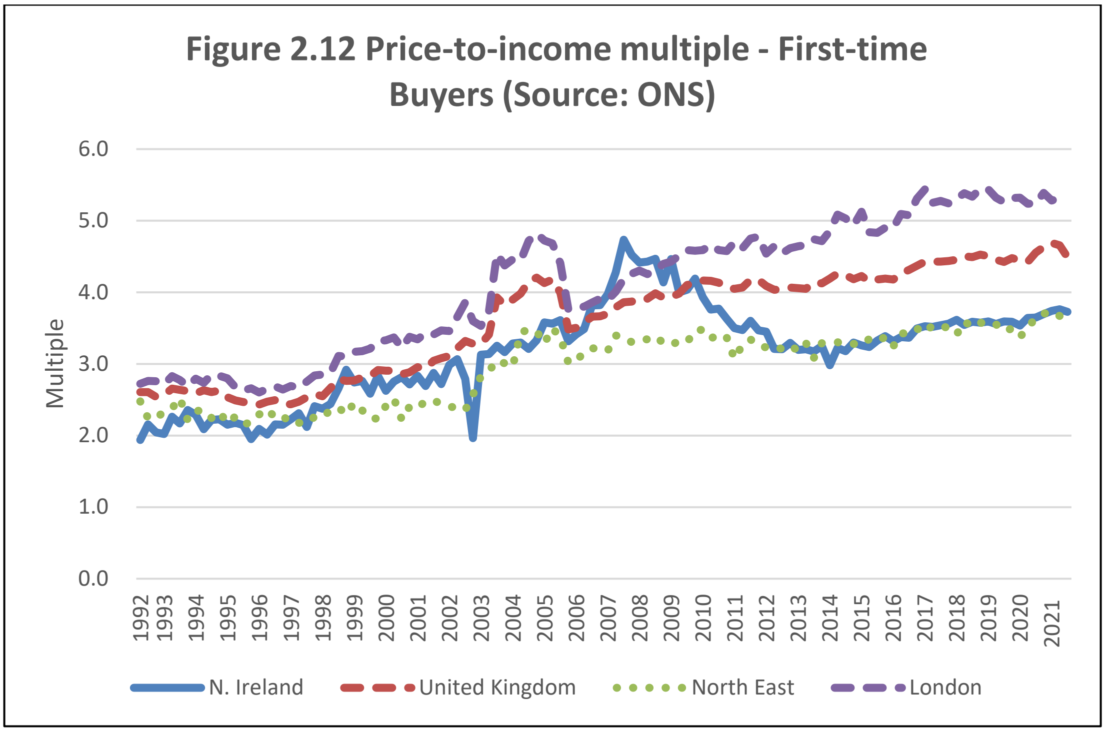
[29] The Nationwide model uses mean earnings for full-time workers on adult rates, sourced from the ASHE and (pre-1998) the New Earnings Survey.

2020 to 24.8 per cent by the fourth quarter of 2021, before slipping back to 23.4 per cent in the first quarter of 2022 (Figure 2.11). Though that proportion is now back at a level previously seen in mid-2011, it is still well below the levels seen in the house price boom period of the 2000s. The Northern Ireland proportion also remains below the UK average (31.1 per cent in the first quarter of 2022).

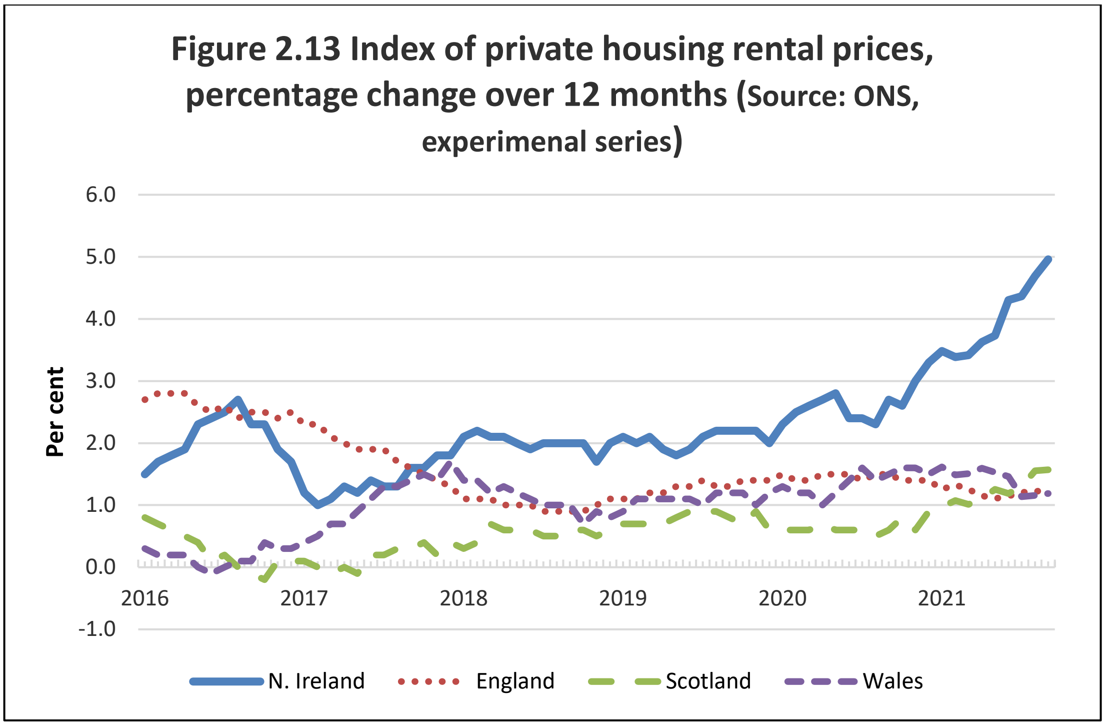
Figure 2.11 Mortgage payments as per cent of mean take home pay, Nationwide modelled affordability measure



Price-to-income multiples have also been edging upwards for first-time buyers (Figure 2.12). Though, the multiple has risen by a modest margin, up from 3.54 in the first quarter of 2020 to 3.73 by the third quarter of 2021. Again, the multiple remains below the UK average (4.66) and also well below the multiples seen in the house price boom of the 2000s. At least from an income affordability perspective, rising house prices have not yet squeezed out first-time buyers. Though, one consequence is that, as prices rise relative to incomes, raising a deposit becomes more difficult. In 2021, 20 per cent of the median Northern Ireland house price amounted to 105 per cent of median annual earnings for full-time employees, up from 100 per cent in 2019.



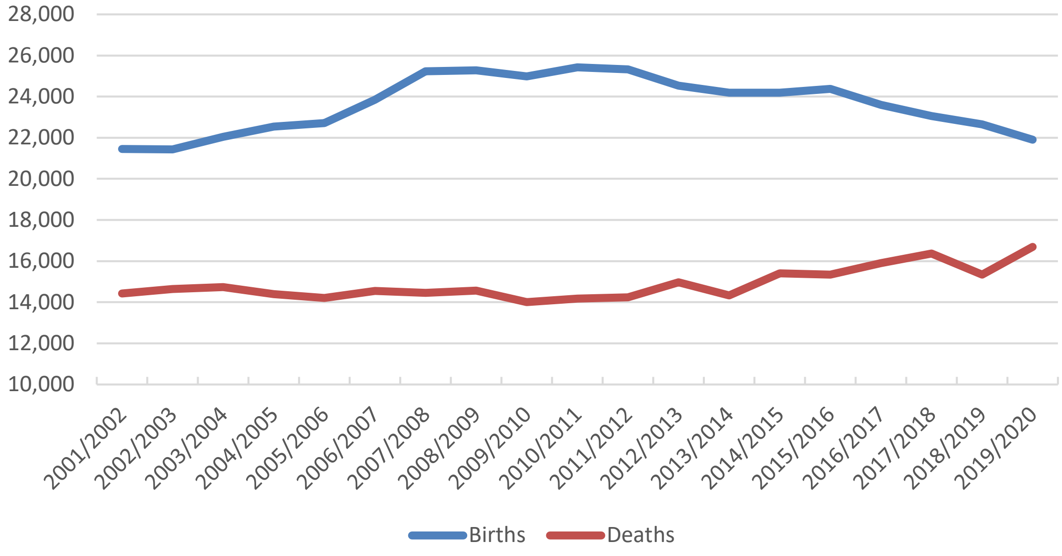
Private sector rents have also been rising since the onset of the pandemic. According to the ONS experimental series, by September 2021, private housing rental prices were rising at an annual rate of five per cent (Figure 2.13). That compares with a steady two per cent per annum prior to the pandemic. The rate of increase in Northern Ireland rental prices has also been in excess of the rate of increase in the rest of the UK.



The rise in the rate of rent inflation would appear to reflect a mismatch between demand and supply. While demand has been buoyant, the availability of rental properties has declined. For example, in their Q3 2021 assessment of the rental sector, Property Pal observed that: “The rental market is experiencing an increasingly challenging period from a tenant’s perspective with many unable to secure suitable properties”. At that time, there were fewer than half the rental properties available compared to 2019 and each property was eliciting a four-fold increase in the number of enquiries. Similar comments regarding lack of stock were made by estate agents responding to the RICS UK Residential Market Survey October 2021.

The demographic effects of the pandemic, on births, deaths and migration, are not yet fully known. However, from the most recent population data it is clear that the pandemic, along with Brexit, has affected population change. The mid-2020 population estimates cover the period from mid-2019 to mid-2020. That includes the first four months of the pandemic, from March 2020 to end-June 2020. NISRA does not consider that the pandemic had an influence on the number of births over that four-month period. There were fewer births over the period, but the drop was in line with the trend over the previous five years (Figure 2.14).

Figure 2.14 Births and deaths, Northern Ireland (Source: NISRA)

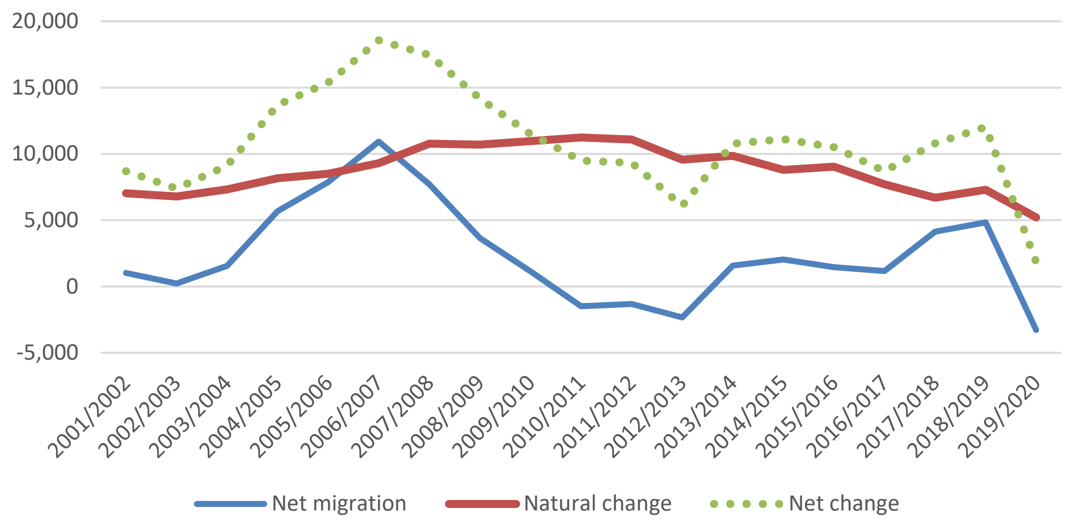


By contrast, the number of deaths between mid-2019 and mid-2020 increased by 1,300 compared with the previous 12 months. NISRA has sought to quantify the effect of the pandemic using excess deaths over the four-month period March to June 2020. In that period, there were 905 excess deaths compared to the corresponding months over the previous five years, which NISRA attributes to the Covid-19 pandemic.

The continued decline in births and the higher number of excess deaths during the Covid-19 pandemic combined to produce the lowest level of natural change (+5,200) since at least 2001, when the current mid-year estimates time series began (Figure 2.15).

Between mid-2019 and mid-2020, NISRA estimates that Northern Ireland lost 3,300 persons due to the excess of out-migration from Northern Ireland over in-migration (Figure 2.15). By comparison, in the previous five years, in-migration had consistently exceeded out-migration, leading to an average annual net gain of 2,700 persons. The estimated net loss of -3,300 between mid-2019 and mid-2020 represents a turnaround of about 6,100 compared to the preceding five-year average. NISRA considers that it is not possible to precisely quantify the effect of the Covid-19 pandemic on the migration turnaround, for two reasons. First, migration flows to and from Northern Ireland are measured through registrations and de-registrations on the medical card register (MCR) and Covid-19 is not recorded as a reason for migration.

Figure 2.15 Components of population change, N. Ireland (Source: NISRA)



Second, it is plausible that the EU exit transition period influenced migration flows. The transition period ran from 1 February 2020 to 31 December 2020. Free movement did not legally end until 31 December 2020, with the passing of the Immigration Act in November 2020, but the uncertainty arising from Brexit may have reduced the attractiveness of a UK destination.

In the second quarter of 2020, NISRA observed a considerable fall in migration inflows alongside a sharp rise in migration outflows from the MCR. While the precise mix of reasons cannot be determined, it is not unreasonable to infer that the combined effects of the Covid-19 pandemic and Brexit influenced decisions to migrate to and from Northern Ireland in that period.

Regardless of the precise mix of reasons affecting the net migration outflow, when combined with the fall in natural increase, between mid-2019 and mid-2020 Northern Ireland recorded its lowest net change in population since 1999.

The key points from the foregoing review of the wider context.

- Over the course of the pandemic, the range of activity indicators considered above (economic output, jobs, unemployment, house sales, new dwelling starts and completions) have each followed a similar trajectory over the course of the pandemic. That is, a sharp increase or decrease in activity during the first lockdown followed by a reversion to pre-pandemic levels.

- The main exception to that general trend has been the plateau reached by Universal Credit claimants, which has persisted and has yet to unwind.

- House prices and rents have followed a different pattern, with both remaining on an upward path over the course of the pandemic.

- Reflecting the rise in house prices, affordability has deteriorated for first-time buyers, albeit the effect has been modest to date and, in affordability terms, Northern Ireland continues to compare favourably with the UK average.

- Brexit effects are less obvious and more difficult to disentangle in any event. Of particular relevance in the context of the SHMAs, the potential effects on international migration have not yet been clarified. The net outflow in international migration from Northern Ireland that was observed in 2019-2020 may also reflect a pandemic effect, due to the restrictions on movements that accompanied the first lockdown.

Looking ahead, the following points may be noted.

While economic indicators signal an ongoing recovery from the pandemic, the outlook remains uncertain, both in the short-run and beyond. As noted by the OBR:

> “The strength of the rebound in demand in the UK and internationally has led [the economic recovery] to bump up against supply constraints in several markets. In the UK, these supply bottlenecks have been exacerbated by changes in the migration and trading regimes following Brexit. Energy prices have soared, labour shortages have emerged in some occupations, and there have been blockages in some supply

> chains. These can be expected to hold back output growth in the coming quarters, while raising prices and putting pressure on wages." (OBR, October 2021 Fiscal Outlook, page 7).

The longer-term effects of the pandemic are equally uncertain. In its October 2021 report, the OBR estimates the 'scarring' effect of the pandemic at two per cent of output. But that is down from the three per cent projection in the OBR's March 2021 report.

The pandemic has also led to a sharp increase in the number of people working regularly from home. It is possible that may lead to a more dispersed population as households seek larger homes to accommodate their home-working requirements and reduce their time spent commuting. That might be expected to affect established internal migration patterns. Theoretically, a reduction in time spent commuting (due to fewer trips to the workplace) would be expected to result in a 'flattening' of the population density gradient. Though, as discussed in the Belfast Metropolitan SHMA, there is already a well-established pattern of out-migration from the largest urban area (Belfast City) to surrounding districts.

The ramifications of Brexit for international migration are also highly uncertain. The UK Government's immigration White Paper, issued in 2018, had seemed to signal a tough immigration regime post-Brexit, with a minimum salary cap of £30,000. However, writing in 2021, Portes comments on the resulting legislation as follows:

> "It is not the case that the new system represents an unequivocal tightening of immigration controls. Rather, it rebalances the system from one which was essentially laissez-faire for Europeans, while quite restrictionist for non-Europeans, to a uniform system that, on paper at least, is expensive but has relatively simple and transparent criteria, and covers up to half the UK labour market. The new system is likely to lead to a reduction in EU migration, partly offset by a smaller increase in non-EU migration."

The perspective adopted in both the SHMA reports and this Northern Ireland Summary is that long-term demographic trends will continue, e.g. the ageing of the population. It is also assumed that housing market effects, especially on activities such as transactions, lettings and new dwelling completions, will be transient, albeit the timing and duration of effects is highly uncertain. Those activities tend to fluctuate in any event, more typically with the economic cycle. However, demographic factors will continue to operate over the long term.

Looking to the longer term and considering the 15-year projection period 2020 to 2035, demographic trends will continue to strongly shape housing market need and demand. The overall total population does not follow a cyclical pattern. The vast majority of those who will be alive in 2035 have already been born.

The cyclical component in population growth largely derives from migration movements. To that extent, the uncertainties around Brexit and the pandemic are to do with the future pattern of migration, both within Northern Ireland and flows to and from other jurisdictions.

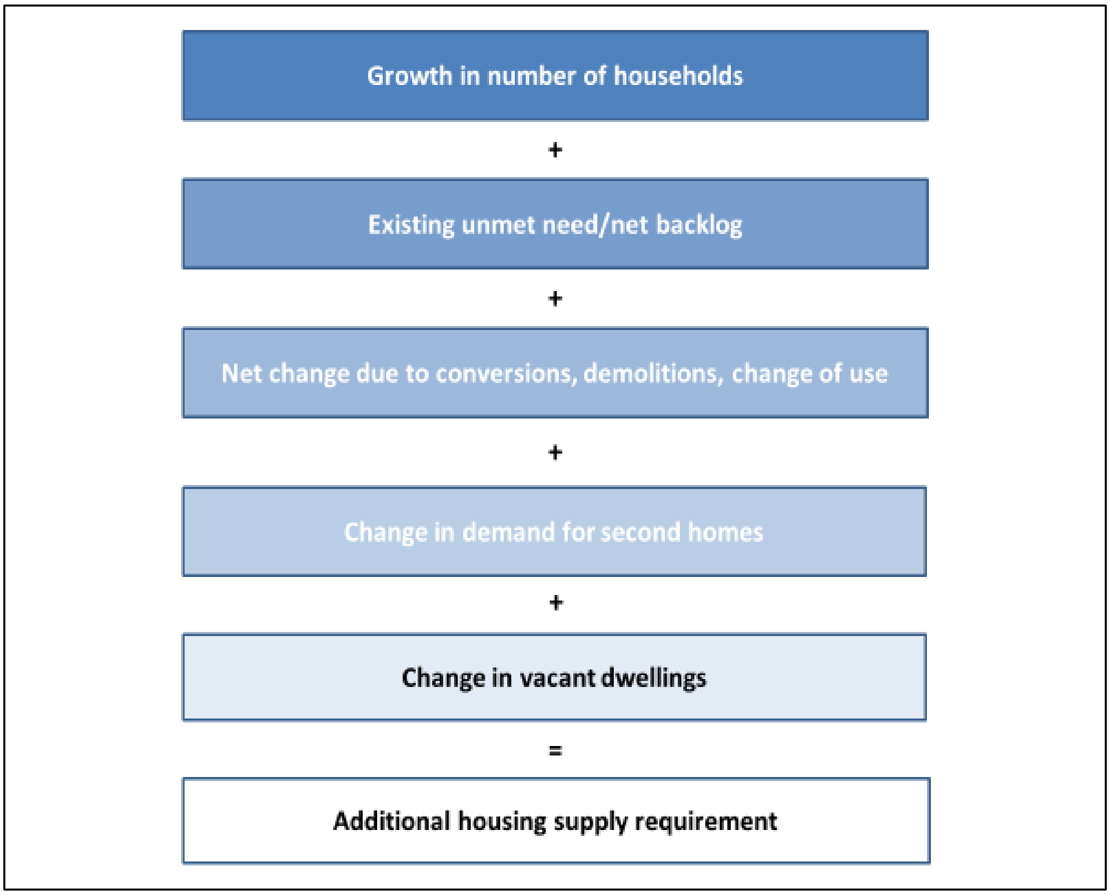
3 Housing Requirements

3.1 Introduction

This Section assesses the implications for new dwelling requirements of the household projections discussed in Appendix A to this Northern Ireland Summary. The assessment is based on the net stock model (NSM) which projects future housing requirements from three main components, as follows (Figure 3.1):

- Newly arising need and demand due to projected net growth in the number of households.
- Existing unmet need, most often referred to as the backlog of unmet need, i.e. the shortfall between current provision and the accommodation needs of existing households as well as individuals or families that have not yet formed as separate households.
- Accompanying demand (second homes) and supply-side adjustments (vacant dwellings, conversions, etc.).

Figure 3.1 Net stock model: Components



3.2 Implementation

It is useful to consider first the implementation of the net stock model without reference to the backlog. The model is underpinned by the basic accounting identity, i.e. at a given point in time:

Housing stock = Number of households + Second homes + Vacant dwellings

In that formulation, new housing demand may be estimated by summing the projected changes in households, second homes and vacant dwellings. In practice, the projected net change in the number of households is the main driver in new housing demand.

The supply-side response to a change in housing demand has two components:

New dwelling completions + net changes from conversions, etc.

Conversions of existing dwellings to residential use will reduce the number of newly constructed dwellings required to meet a given change in demand. Alternatively, existing residential dwellings may be demolished or be lost to the stock through dereliction. In that instance, additional new dwellings would be required to replace those lost.

In the net stock model, projected new housing requirements are obtained by projecting forward the change in housing demand (new households plus the changes in the numbers of second homes and vacant dwellings) and adding (or subtracting) the expected flows of net changes due to conversions, etc.

The implementation of the model therefore requires the following inputs:

- Choice of a baseline or initial starting year and projection period.
- Household projections.
- Assumptions for changes in second homes, vacant dwellings and the annual flow of net changes from conversions, demolitions, etc. The assumptions are outlined in Annex 3.A.

The results reported in this Section are derived from a 2020 baseline, projected over a 15-year period to 2035. An important reason for choosing 2020 as a baseline year is that published data on new house completions are available through spring 2020. If an earlier baseline were chosen, the published completions would have to be netted out to derive a projection for remaining new dwelling requirements, having regard to the supply that has already occurred. For example, if running off a 2018 baseline, it would be necessary to net out the known 2018-19 and 2019-20 completions.

Furthermore, from the LPS data, the housing stock as at spring 2020 is a known quantity.

The household projections used in the central projections presented in this Section are taken from the **medium household growth scenario** discussed in the accompanying Appendix A. The net stock model results with no backlog in that scenario are summarised in Table 3.1. Thus, for Northern Ireland, the projected new dwelling requirement for the period 2020 to 2035 is **84,670**[30].

Table 3.1 New dwelling requirements and components, 2020-2035, net stock model with no backlog, Northern Ireland, medium household growth scenario[1]

	2020	2035	Change
	(a)	(b)	(c) = (a) – (b)
	No.	*No.*	*No.*
Households[2]	750,740	819,350	68,610
Second homes[3]	8,320	8,800	480
Vacant stock[4]	48,980	53,020	4,040
Dwellings[5]	808,040	881,180	73,130
Net changes[6]			11,540
Requirements[7]			**84,670**

Notes:

1. All projections are shown rounded to the nearest 10. Calculations are based on unrounded figures, therefore sums or differences may not add to the totals shown.
2. Household projections, medium growth scenario.
3. Constant proportion of dwellings (one per cent) – see Annex 3.A.
4. Projected as a constant share of dwellings (six per cent), from the 2020 modelled vacancy rate in the medium growth scenario - see Annex 3.A.
5. The sum of households, vacant dwellings and second homes. Note that the 2020 dwelling stock figure is an actual count derived from LPS data.
6. Net changes due to conversions/closures/demolitions are an annual flow, which are cumulated over the 15-year projection period. Derived from nine-year average using the residual method - see Annex 3.A and accompanying discussion. As the net changes assumption is a positive number, for Northern Ireland, closures/demolitions outnumber conversions by a cumulated 11,540 over the projection period; replacement of those losses adds to the new dwelling requirement.
7. The sum of dwelling stock changes plus the cumulated net changes.

[30] Note that projected new dwelling requirements and components have been rounded to the nearest 10 for reporting purposes. For that reason, components may not always add to the total shown in a table. All modelling work was conducted on unrounded data.

The annualised new dwelling requirements are summarised in Table 3.2. For Northern Ireland, the annualised total requirement 2020 to 2035 is **5,640** dwellings. The largest component is the net change in new households, projected at **4,570** per annum, representing 81 per cent of the total requirement.

Table 3.2 New dwelling requirements and components, 2020-2035, net stock model with no backlog, Northern Ireland, medium household growth scenario, by component, annualised

	Change 2020-2035	Annualised	Composition
	No.	*No.*	*Col%*
New households	68,610	4,570	81
Vacant stock and second homes	4,520	300	5
Net changes	11,540	770	14
Requirements	**84,670**	**5,640**	**100**

See Table 8.1 for explanation of components.

It must be emphasised that the net stock model projections presented in this Section are intended to provide a long-term perspective on housing requirements. Nonetheless, as the model has the capability to generate outputs on an annual basis, it is useful to illustrate further the relationship between projected new dwelling requirements and the projected trend in household growth.

As discussed in Appendix A, household growth is projected to slacken from the mid-2020s onwards, reflecting the slower projected growth in population. That feature of the household projections is strongly reflected in the projected path of new dwelling requirements when shown on an annual basis (Figure 3.2).

Based on the projected trend in household growth, for Northern Ireland as a whole, new dwelling requirements over the decade 2020 to 2030 are projected to average 6,240 per annum, falling to 4,460 per annum in the five years between 2030 and 2035 (Figure 3.2 and Table 3.3). As a point of comparison, it is noted that, over the historical 10-year period from 2010 to 2020, new dwelling completions across Northern Ireland averaged 6,280 per annum.

Figure 3.2 Projected new dwelling requirements, N. Ireland

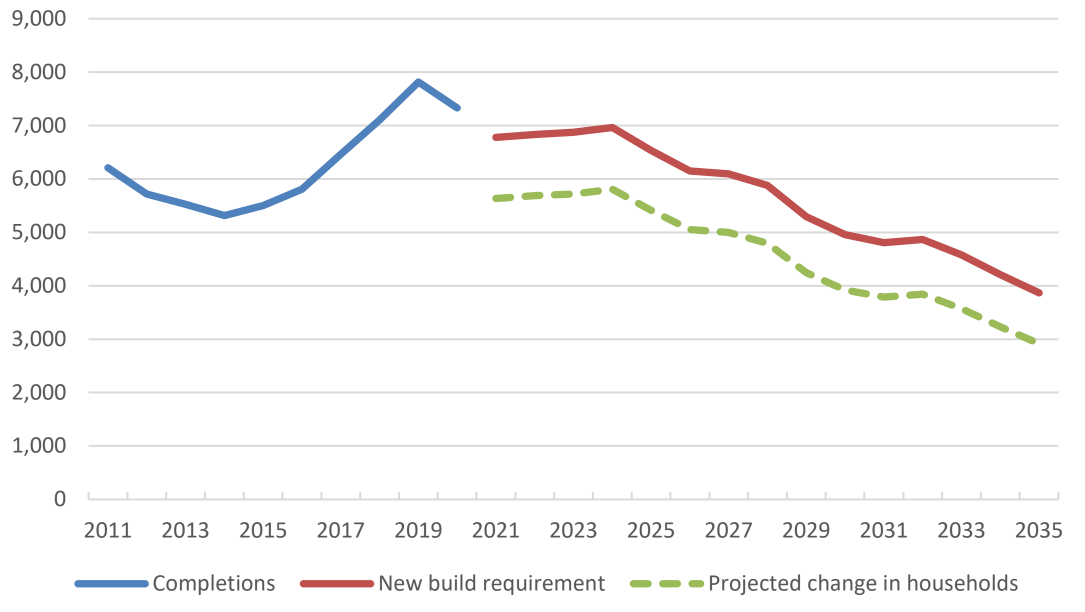


Table 3.3 New dwelling requirements, Northern Ireland, no backlog, 2020-2030 and 2030-2035

	Total	**Annualised**		
		2020-2035	**2020-2030**	**2030-2035**
New households	68,610	4,570	5,130	3,470
Other changes	16,060	1,070	1,110	1,000
Total	**84,670**	**5,640**	**6,240**	**4,460**

The projections for new dwelling requirements by LGD are shown in Table 3.4 (the detailed components can be found in Table A3B.1 in Annex B to this Section). The projected new dwelling requirements for the 15-year period to 2035 are highest in the LGDs projected to grow the fastest in population terms, i.e. Armagh City, Banbridge and Craigavon, Lisburn and Castlereagh and Mid Ulster. Furthermore, in each LGD, the trajectory of annualised new dwelling requirements follows the Northern Ireland pattern, i.e. higher in the first 10 years from 2020 to 2030 and slower in the five years from 2030 to 2035.

Table 3.4 New dwelling requirements by LGD, net stock model, no backlog, 2020-2035				
	Total	**Annualised**		
		2020-2035	**2020-2030**	**2030-2035**
Antrim and Newtownabbey	5,090	340	390	240
Ards and North Down	5,480	370	460	170
Armagh City, Banbridge and Craigavon	15,400	1,030	1,090	900
Belfast	9,370	620	680	520
Causeway Coast and Glens	5,440	360	420	250
Derry City and Strabane	3,370	220	270	130
Fermanagh and Omagh	5,040	340	370	270
Lisburn and Castlereagh	11,340	760	800	680
Mid and East Antrim	4,880	330	390	210
Mid Ulster	9,780	650	690	580
Newry, Mourne and Down	9,490	630	690	520
N. Ireland	**84,670**	**5,640**	**6,240**	**4,460**

3.3 Backlog

The backlog of unmet need for social housing can be considered to encompass three main components[31]:

- Households and potential households without self-contained accommodation.
- Owner-occupiers and private renters in need of social rented housing.
- Social rented sector tenants in unsuitable accommodation.

The first of those three components is comprised of households or potential households (such as concealed families) who do not have their own self-

[31] See, for example, Holmans, 2008; Greater London Authority, 2017.

contained accommodation. For that reason, they form the 'net backlog', i.e. additional new dwellings are required to meet their need for accommodation.

The second and third elements can be referred to, respectively, as the tenure (or mismatch) backlog and the social backlog. Neither of those components is counted as part of the new dwelling requirements in a net stock framework. Owner-occupiers and private renters who have a need for social rented accommodation (e.g. due to overcrowding) currently occupy self-contained accommodation; if they are allocated social housing, their existing dwelling would free up to be occupied by some other household. Households in the social sector may be counted as part of the backlog in circumstances where their current accommodation is unsuitable, for example, the tenant has serious mobility problems. Again, however, if they are allocated a dwelling, their current accommodation frees up for some other household.

The backlog is inherently difficult to measure. For example, not all of the concealed families[32] counted by data sources such as the Census of Population may want or desire their own accommodation. Some of those who do may have sufficient resources to rent or buy market housing.

For the SHMAs, the issues around measurement and scope were handled through use of the Housing Executive's Common Waiting List (CWL). The CWL offers several advantages for that purpose, as follows:

- It is a comprehensive listing of individuals who have expressed a desire for alternative accommodation by applying for a social rented home.
- The specific housing needs of CWL applicants are identified in the course of assessing their applications. It is therefore possible to identify, for example, those who are homeless and do not have self-contained accommodation, households in over-crowded accommodation, households with functional mobility problems in their present dwelling, and so on.
- The CWL contains information on the attributes of individuals, such as family type and size.
- Because the CWL is common across Northern Ireland, it is possible to characterise applicants' housing needs without double counting. That is a particular problem with an approach based on multiple datasets, such as a mix of Census, survey and administrative data.

[32] Concealed families are defined as families living in households where the family head is not the household head, for example, lone parents or couples with children. Concealed families represent potential households which have not yet formed. That may be through choice or constraint, perhaps due to inability to afford their own self-contained accommodation.

The main caveat to the use of the CWL is the ‘no detriment’ practice, which applies to applicants who have been accepted as homeless and awarded Full Duty Applicant (FDA) status, i.e. an applicant to whom the Housing Executive has a legal responsibility. When such applicants are awarded points, e.g. for sharing or overcrowding, those points cannot be removed even if the applicant later improves their housing circumstances. That is, the points awarded to an FDA applicant may also reflect their homelessness ‘journey’, depending on whether their circumstances have changed since making an application for social housing. Consequently, the CWL may not accurately reflect the current housing circumstances of all applicants. Nonetheless, the advantages of the CWL are sufficient to justify its use for estimating the net backlog component in projecting new dwelling requirements.

The criteria for including CWL applicants in the net backlog were as follows:

- Accepted as homeless by the Housing Executive.

  and,

- Lacking their own self-contained accommodation, based on their circumstances according to the CWL.

Concealed households without their own self-contained accommodation are defined to include:

- Adult couples (with or without children) and lone parents whose circumstances indicate that they live with some other family, but are not responsible for the dwelling, e.g. where they have sharing points and/or that is their stated tenure.

- Single adults living with some other family, where they are assessed to warrant sharing points and/or that is their stated tenure.

Households living in temporary accommodation in hostels, etc. are also included in the net backlog, as they do not live in self-contained accommodation.

Conversely, applicants in temporary accommodation but who are in single lets are not included in the net backlog, as they are in self-contained accommodation which would become available to some other household if they were allocated a social home (see Box 3.A). Similarly, households in the private rented or owner-occupied sectors are not included in the net backlog.

Box 3.A Common Waiting List applicants living in temporary accommodation arranged by the Housing Executive

After six months on the CWL, an applicant accepted as homeless and without their own accommodation may be offered and placed in temporary accommodation arranged by the Housing Executive. On the June 2019 CWL, 1,910 applicants were listed as being in temporary accommodation arranged by the Housing Executive. Of those, 536 were in a voluntary sector hostel (291), Housing Executive hostel (130), leased property (60) or external placement (55). The remaining 1,374 were listed as being in private single lets.

The 536 in hostels, etc. are counted in the net backlog. The 1,374 in single lets are not included in the net backlog.

The rationale for excluding private single lets from the net backlog is that they are living in self-contained accommodation; if they are allocated social housing; their single let will free up to be occupied by some other household.

In the net stock model approach, if those single lets were to be included in the net backlog that would introduce an element of double counting, which would inflate the projected new build requirement.

Another way of looking at the issue is to consider how those in temporary accommodation would be counted in the Census of Population.

Applicants living in hostels would be counted in the Census as part of the communal resident population, i.e. they would not be included in the count of households since they are not in self-contained accommodation. For that reason, they properly belong in the net backlog.

Conversely, applicants living in private single lets would be counted as part of the household population, since they live in self-contained accommodation. Thus, when making a net stock projection, those households are already included in the baseline. Consequently, including private single lets in the net backlog would be a form of double counting. The exclusion of private single lets from the net backlog is not at all to imply those households do not have a need for social housing. Rather, if they are allocated social housing, their single let frees up, so there is no net new ‘bricks and mortar’ requirement.

The three main components of the backlog are summarised in Table 3.5. To illustrate the approach, as at June 2019, 32,220 applicants on the CWL for social housing across Northern Ireland had 30 or more points, i.e. they are considered to be in housing stress. That is the gross backlog. Within that gross backlog, 10,940 CWL applicants met the criteria for inclusion in the net backlog. For the reasons outlined above, the remaining 21,280 applicants

(14,750 in the tenure/mismatch category and 6,530 in the social backlog) are not counted in projecting requirements for additional dwellings in the net stock model framework.

Table 3.5 The backlog by category, Northern Ireland, CWL applicants in housing stress (30+ points)

	June 2019		Oct 2021	
	No.	*%*	*No.*	*% change*
Net backlog	10,940	30	13,390	22.4
Tenure/mismatch backlog	14,750	54	17,420	18.1
Social backlog	6,530	17	7,550	15.7
Gross backlog	**32,220**	**100**	**38,370**	**19.1**

Source: NIHE, Common Waiting List.

As outlined in Section 2, there was a surge in applicants to the CWL over the course of the pandemic. Between June 2019 and October 2021, the number of applicants rose by 19 per cent (Table 3.5). However, the rise in the CWL over that period was most likely affected, albeit to an unknown degree, by measures taken by the Housing Executive to contain and delay the transmission of the Covid-19 virus. Those measures would have, temporarily, elevated the CWL above what might have been expected compared to normal practice. There is therefore a risk that deriving the net backlog estimate from the October 2021 CWL would serve to over-estimate projected new dwelling requirements. For that reason, the June 2019 CWL is preferred in making the central projections presented in this Section. Though, it should be noted that the projections can readily be varied to reflect alternative assumptions regarding the net backlog, to manage any uncertainty.

The CWL applicants meeting the net backlog criteria are summarised in Table 3.6 by family type and accommodation status. The majority (85 per cent) are concealed households, i.e. families or single adults sharing a dwelling with some other household. The net backlog by LGD is shown in Table 3.7 (see also Table A8.1 for the full set of gross backlog categories by LGD). The Belfast LGD accounts for over one in three of those in the net backlog followed by Derry City and Strabane with a 16 per cent share of the Northern Ireland total. As a proportion of the estimated number of households in 2019 within each LGD, the net backlog ranges from 0.6 per cent (Armagh City, Banbridge and Craigavon) to three per cent (Derry City and Strabane).

Table 3.6 The net backlog, N. Ireland			
	No.	**% of total**	**% of households**
Households living in temporary accommodation, not self-contained (hostels, etc.)	1,140	10.4	0.2
Adult couple or lone parent, accepted as homeless, in shared accommodation	3,650	33.4	0.5
Single adult, accepted as homeless, in shared accommodation	5,630	51.4	0.8
Other homeless not in self-contained accommodation	520	4.8	0.1
Total	**10,940**	**100.0**	**1.5**
Sources: NIHE, Common Waiting List, June 2019. Household proportion estimated.			

Table 3.7 The net backlog by LGD, 2019			
	No.	**% of NI**	**% of households**
Antrim and Newtownabbey	720	6.6	1.3
Ards and North Down	550	5.0	0.8
Armagh City, Banbridge and Craigavon	520	4.8	0.6
Belfast	3,770	34.5	2.6
Causeway Coast and Glens	510	4.7	0.9
Derry City and Strabane	1,760	16.1	3.0
Fermanagh and Omagh	310	2.8	0.7
Lisburn and Castlereagh	670	6.1	1.2
Mid and East Antrim	570	5.2	1.0
Mid Ulster	420	3.8	0.8
Newry, Mourne and Down	1,140	10.4	1.7
N. Ireland	**10,940**	**100.0**	**1.5**
Source: NIHE, Common Waiting List, June 2019. Household proportions estimated.			

In the central scenario presented here, the net backlog of **10,940** is assumed to be 'cleared' in equal amounts over the 15 year projection period, adding an annual **730** to the requirement (Table 3.8). The addition of the net backlog to the net stock model projections raises the total new dwelling requirement over the period 2020 to 2035 to **95,620**, equivalent to an annualised requirement of **6,370** dwellings.

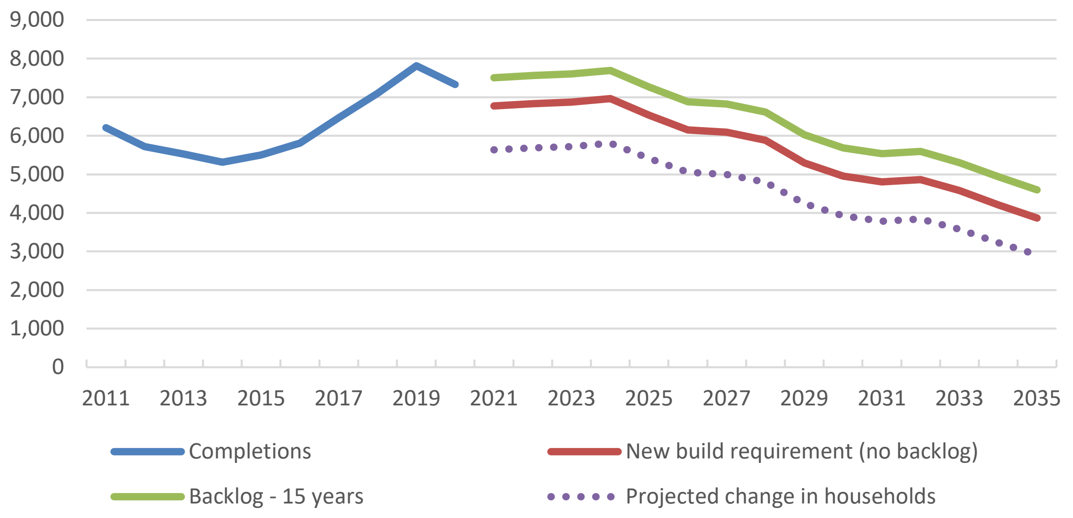
Table 3.8 New dwelling requirements and components, 2020-2035, net stock model with backlog, N. Ireland, medium household growth scenario

	Change 2020-2035	Annualised	Composition
	No.	*No.*	*Col%*
New households	68,610	4,570	72
Net backlog	10,940	730	11
Other changes	16,060	1,070	17
Requirements	**95,620**	**6,370**	**100**

See Table 3.1 for explanation of components.

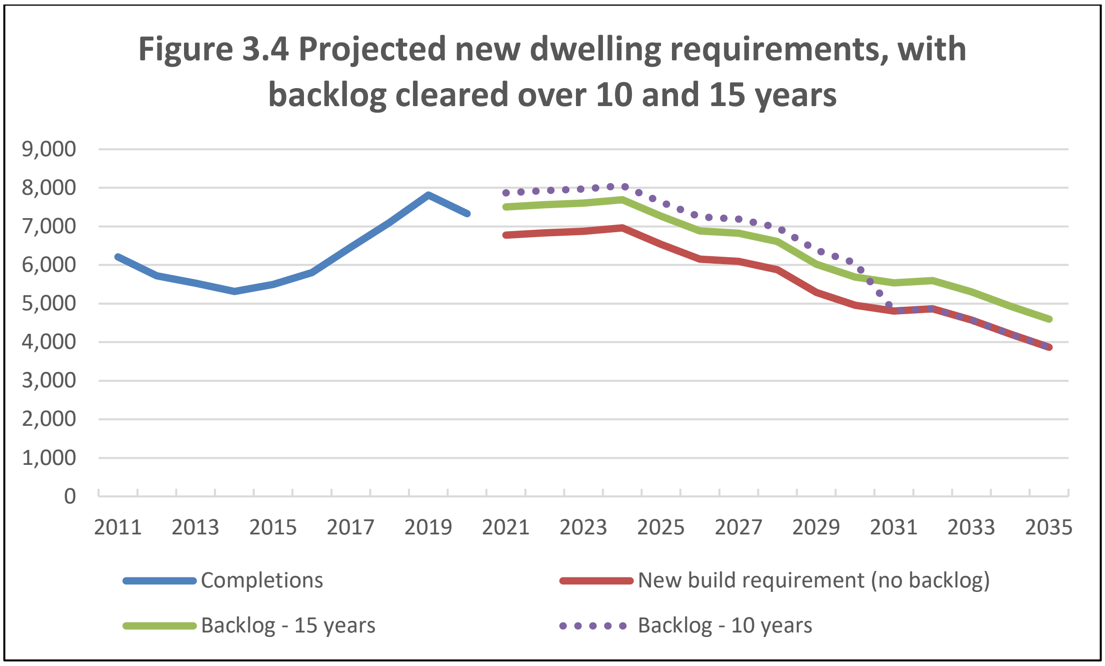
As the backlog is projected forward on a constant annual basis, the trajectory of new dwelling requirements over the projection period continues to reflect the household growth projections, i.e. a fall in the annual total new dwelling requirements from 2024 onwards (Figure 3.3).

Figure 3.3 Projected new dwelling requirements, with backlog cleared over 15 years



The following points should be noted regarding the net backlog. First, it should be understood that a backlog clearance period of 15 years does not mean that individual applicants who are currently homeless or overcrowded are expected to remain in the same circumstances for that period of time. For example, those currently in the net backlog may be housed via a relet of an existing social dwelling. But every year there is also a 'flow' of households into need. Clearing the backlog essentially means increasing the off-flows until such time as the baseline net backlog of need is reduced to zero.

Second, the period over which the net backlog is assumed to be cleared can be changed, depending on the policy stance. For example, if the choice was to seek to clear the backlog within 10 years, the annual increment due to the backlog would rise to 1,090 between 2030 and 2035 (10,940, divided by 10 and rounded) before falling back to zero for the final five years 2030 to 2035. In that instance, the trajectory of new dwelling requirements would follow the path illustrated in Figure 3.4.



Third, as the net backlog is evenly spread over the projection years (or some subset thereof), the implications of a change in the estimated number of applicants within the net backlog, whether up or down, can readily be tested.

The results by LGD are summarised in Table 3.9. The detailed results are reported in Table A3B.2 in Annex 3.B. As expected from the discussion of Table 3.7 above, the effect is most evident in the Belfast and Derry City and Strabane LGDs. In the latter LGD, the new dwelling requirements with the backlog are 52 per cent higher compared with the zero backlog scenario (Table 3.4) while the Belfast requirement rises by 40 per cent. The effects are more modest in the remaining LGDs, ranging from +3 per cent (Armagh City, Banbridge and Craigavon) to +14 per cent (Antrim and Newtownabbey).

Table 3.9 New dwelling requirements and components, 2020-2035, net stock model with backlog, LGDs, medium household growth scenario				
	Households	**Net backlog**	**Other changes**	**Total**
	No.	*No.*	*No.*	*No.*
Antrim and Newtownabbey	5,000	720	90	5,810
Ards and North Down	4,860	550	610	6,020
Armagh City, Banbridge and Craigavon	12,790	520	2,610	15,920
Belfast	7,350	3,770	2,020	13,140
Causeway Coast and Glens	2,860	510	2,580	5,950
Derry City and Strabane	3,060	1,760	310	5,130
Fermanagh and Omagh	3,270	310	1,760	5,350
Lisburn and Castlereagh	10,200	670	1,150	12,010
Mid and East Antrim	3,670	570	1,210	5,450
Mid Ulster	7,060	420	2,720	10,200
Newry, Mourne and Down	8,490	1,140	1,000	10,630
N. Ireland	**68,610**	**10,940**	**16,060**	**95,620**

3.4 Tenure

3.4.1 Affordability Tests

The assignment of net new households by tenure is based on an affordability model, with the following categories:

- **Market** – can afford market rent or has sufficient income to enter and sustain home ownership.
- **Intermediate** – cannot afford market rent but can afford more than social rent.
- **Social** – cannot afford intermediate or market rent.

The tenure assignments are made based on simple income tests, following the Scottish and Welsh models (see Centre for Housing Market Analysis (CHMA), 2018, and Statistics for Wales, 2019).

The affordability tests were conducted by combining private rent data at HMA and HMA subarea level with local area income data, sourced from the CACI Paycheck™ estimates scaled to the Family Resources Survey. Newly arising households are assigned to one of the three tenures via the following affordability tests:

- **Market**. Estimated from the proportion of households that can afford to pay the median private rent, without spending more than 25 per cent of household income.

- **Social sector**. Estimated from the proportion of households with an income such that they would spend more than 35 per cent of their income (including Housing Benefit or the housing element of Universal Credit) at the 30th percentile of the private rent distribution.

- **Intermediate**. The estimated proportion of households that cannot afford the market rent but can afford the social rent level.

The results of the affordability tests are summarised in Table 3.10. The tests are based on rent and household income data for 2018-19. Based on the rent to income tests, the proportion of households that could afford market rents was 63 per cent on average, ranging from 53 per cent in the Belfast LGD to 71 per cent in Fermanagh and Omagh. The Belfast estimate reflects relatively lower gross household income levels (according to the CACI small area income data) combined with above-average median rents. The Fermanagh and Omagh estimate reflects below-average median rents. The Derry City and Strabane estimate of 61 per cent market affordability is only slightly below the Northern Ireland average (63 per cent). There, below-average household incomes are offset by median rents below the Northern Ireland average.

The proportion with social sector affordability also varies by LGD, from 12 per cent in Fermanagh and Omagh to 25 per cent in Belfast, with an average of 18 per cent. A little under one-fifth of households (19 per cent) are estimated to have intermediate affordability.

As discussed in Section 2, rents have been rising across Northern Ireland over the pandemic period, through the third quarter of 2021. As of spring 2022, the short-term affordability implications of that trend are unclear, especially in the absence of up-to-date household income data.

Prior to the pandemic, average rent-to-income ratios in Northern Ireland had been relatively stable. Thus, in the central tenure projections presented here, it is assumed that pandemic effects will unwind and, over the long-term, rent to income ratios will return to their pre-pandemic stability. It should also be noted that the projections in this SHMA seek to relate housing need and demand to new dwelling requirements. They are not constrained by considerations such as the supply of housing land. That said, the pandemic does introduce a new element of uncertainty to the projections.

Table 3.10 Affordability tests, LGDs			
	Market	**Intermediate**	**Social**
	%	%	%
Antrim and Newtownabbey	66	18	17
Ards and North Down	63	19	18
Armagh City, Banbridge and Craigavon	68	17	15
Belfast	53	22	25
Causeway Coast and Glens	66	17	17
Derry City and Strabane	61	20	19
Fermanagh and Omagh	71	17	12
Lisburn and Castlereagh	64	18	18
Mid and East Antrim	64	18	18
Mid Ulster	67	17	16
Newry, Mourne and Down	69	17	15
N. Ireland	**63**	**19**	**18**

House purchase affordability tests were also conducted, to estimate the proportion of households with an income (excluding Housing Benefit) sufficient to afford a property in the lower quartile of house prices with a house price to income multiple of 3.6. Leaving aside capital requirements for house purchase, an estimated 55 per cent of households were estimated to meet the house purchase affordability criterion, ranging from 48 per cent in the Belfast LGD to 61 per cent in both Lisburn and Castlereagh and Fermanagh and Omagh.

Within each LGD, the proportion estimated to be able to afford house purchase is less than the proportion estimated to afford the median private rent. Therefore, the tenure assignments are made based on the rent tests.

To summarise, for the tenure projections, newly arising households are classified from the affordability tests outlined above while the net backlog is assigned entirely to the social sector.

3.4.2 Tenure Projections

The tenure projections in the medium household growth scenario are summarised in Table 3.11. Excluding the backlog, the projected annual social housing need requirement is 960. When the backlog is added, the requirement rises to 1,690 per annum. As the backlog is added to the social sector only, the projected market and intermediate requirements are the same both with and without the backlog. However, the tenure proportions vary according to whether the backlog is included or excluded. When the backlog is excluded, 65 per cent of the projected annualised requirements are assigned to the market sector with 18 per cent to the intermediate sector and 17 per cent to the social sector. When the backlog is added, the social sector share increases to 26 per cent while the market share reduces to 57 per cent and the intermediate share to 16 per cent.

Table 3.11 New dwelling requirements by tenure, 2020-2035, medium household growth scenario, N. Ireland

	Market	Intermediate	Social	All
Excl. backlog				
Total	54,890	15,450	14,330	84,670
Annualised	3,660	1,030	960	5,640
Per cent	*65*	*18*	*17*	*100*
Incl. backlog				
Total	54,890	15,450	25,280	95,620
Annualised	3,660	1,030	1,690	6,370
Per cent	*57*	*16*	*26*	*100*

The annualised projected new dwelling requirements by tenure within each of the 11 LGDs are shown in Table 3.12 with the backlog excluded and in Table 3.13 with the backlog included. The detailed requirements by tenure are shown in Tables A3B.3 and A3B.4, respectively.

Excluding the backlog, the projected social housing need requirements are highest in Armagh City, Banbridge and Craigavon, reflecting the faster growth of projected newly arising households. When the backlog is added, the social housing need requirement is highest in Belfast. The annualised projections for both the market and intermediate tenures are largely shaped by the variations across LGDs in projected newly arising households (see Table A3B.1 in Annex B).

Table 3.12 New dwelling requirements by tenure, 2020-2035, annualised, LGDs, excluding backlog

	Market	Intermediate	Social	All
	No.	*No.*	*No.*	*No.*
Antrim and Newtownabbey	220	60	50	340
Ards and North Down	230	70	60	370
Armagh City, Banbridge and Craigavon	690	180	160	1,030
Belfast	340	140	150	620
Causeway Coast and Glens	240	60	60	360
Derry City and Strabane	140	50	40	220
Fermanagh and Omagh	240	60	40	340
Lisburn and Castlereagh	490	140	130	760
Mid and East Antrim	210	60	60	330
Mid Ulster	430	120	110	650
Newry, Mourne and Down	440	100	90	630
N. Ireland	**3,660**	**1,030**	**960**	**5,640**

Table 3.13 New dwelling requirements by tenure, annualised, 2020-2035, LGDs, including backlog

	Market	Intermediate	Social	All
	No.	*No.*	*No.*	*No.*
Antrim and Newtownabbey	220	60	100	390
Ards and North Down	230	70	100	400
Armagh City, Banbridge and Craigavon	690	180	200	1,060
Belfast	340	140	400	880
Causeway Coast and Glens	240	60	90	400
Derry City and Strabane	140	50	160	340
Fermanagh and Omagh	240	60	60	360
Lisburn and Castlereagh	490	140	180	800
Mid and East Antrim	210	60	90	360
Mid Ulster	430	120	130	680
Newry, Mourne and Down	440	100	170	710
N. Ireland	**3,660**	**1,030**	**1,690**	**6,370**

3.5 Sensitivities

Projections for new dwelling requirements are inherently uncertain. In the context of a 15-year ahead timeframe, the main source of uncertainty is the pace of household growth. The projected pace of household growth depends on the assumptions for the trend in average household size and population growth.

For a given set of population projections, changes to the assumptions around the trend in average household size are used to generate alternative paths for the pace of household growth. As discussed in Appendix A, three household growth scenarios based on the principal 2018-based NISRA population projections have been specified for the SHMAs, i.e. the updated and high growth scenarios alongside the medium growth scenario which has served as the central scenario for projecting new dwelling requirements[33]. Compared to the central medium growth scenario, average household size falls faster in the high growth scenario and more slowly in the updated scenario.

The projected new dwelling requirements resulting from each of the three scenarios are summarised, both with and without the backlog, in Table 3.14. In the updated scenario, 9,410 fewer households form over the period 2020-2035 compared with the central medium growth scenario. The high growth scenario generates an additional 8,800 households compared with the medium growth scenario.

Those differences in the projected numbers of households are directly reflected in the projections for new dwelling requirements, as the updated and high growth scenarios differ from the medium growth scenario by approximately the difference in the household growth projections, i.e. a reduced requirement of -9,550 in the updated/slow growth scenario and by +8,680 in the high growth scenario.

Overall, the scenarios are within a range of approximately ±10 per cent around the central projection for new dwelling requirements. That range does not equate to a margin of error in the projections and should not be interpreted as such. Nonetheless, the range does provide an indication of the sensitivity of the projected new dwelling requirements to the average household size assumptions, within the context of an extrapolation of historic trends.

[33] The scenarios are based on varying the assumptions for the rate of decline in average household size; for a given population projection, the faster the decline in average household size, the faster the rate of projected new household formation, and vice versa. Thus, household size is assumed to fall more slowly in the updated (slow-growth) scenario by comparison with the central medium growth scenario. Conversely, average household size falls more quickly in the higher growth scenario compared to the central medium growth scenario. The specification of the scenarios is fully described in Appendix A.

Table 3.14 Projected new dwelling requirements and household growth scenarios, 2020-2035, N. Ireland

	Household growth scenario:		
	Updated	**Medium**	**High**
New households			
Total	59,200	68,610	77,410
Annualised	3,950	4,570	5,160
Dwelling requirements			
Excluding backlog			
Total	75,120	84,670	93,360
Annualised	5,010	5,640	6,220
Including backlog			
Total	86,060	95,620	104,300
Annualised	5,740	6,370	6,950

The variations by LGD in the scenarios are shown in Tables A3B.5 and A3B.6 in Annex 3.B. The main point to note is that the differences between the central and variant scenarios are wider, both in absolute and proportional terms, in the Belfast and Derry City and Strabane LGDs.

The variations across the household growth scenarios in the projected new dwelling requirements by tenure are shown in Table 3.15. The following points can be noted. First, in percentage terms, the differences from the central medium growth scenario are mainly within a range of approximately ±9 to ±12 per cent. As the backlog does not change across the scenarios and the backlog is entirely allocated to the social sector, the projections for that tenure when the backlog is included are slightly less sensitive, within a range of -8 to +7 per cent.

Second, the projected tenure proportions vary little across the scenarios. For example, when the backlog is included, the projected tenure proportions in the high growth scenario are 58 per cent market, 16 per cent intermediate and 26 per cent social sector, not greatly different from the proportions in the central scenario (57 per cent, 16 per cent and 27 per cent respectively). That is, when the household projections are varied, the tenure distribution at Northern Ireland level will typically follow the profile shown in Table 3.11.

Table 3.15 Projected new dwelling requirements by tenure and household growth scenarios, 2020-2035, N. Ireland			
	Household growth scenario:		
	Updated	**Medium**	**High**
Excluding backlog			
Market	3,270	3,660	4,010
Intermediate	910	1,030	1,140
Social	830	960	1,070
Total	**5,010**	**5,640**	**6,220**
Including backlog			
Market	3,270	3,660	4,010
Intermediate	910	1,030	1,140
Social	1,560	1,690	1,800
Total	**5,740**	**6,370**	**6,950**

The tenure proportions in the updated slower growth scenario at LGD level are shown in Table A3B.7 and in Table A3B.8 for the high growth scenario. The main point to note is that, when the backlog is excluded, the proportions do not differ from the central scenario (compare with Table A3B.3). When the backlog is included, the tenure proportions vary slightly from the central scenario, mainly for Belfast and Derry City and Strabane (compare with Table A3B.4).

In addition to the average household size assumptions, the projected number of households depends also on the projected rate of population change. At Northern Ireland level, the main source of uncertainty in that regard centres on the components of population change, i.e. net international migration and natural change (the difference between births and deaths).

The central medium household growth projections are underpinned by NISRA's principal 2018-based population projections. In the NISRA projections, it is assumed that Northern Ireland will benefit from international migration, with inflows expected to exceed outflows by about 1,500 per annum between 2020 and 2035. As discussed in Section 2, the long-term implications of Brexit for international migration inflows have yet to crystalise. However, it is useful to consider the risk of a sharp reduction in international migration to Northern Ireland. For that purpose, a population change scenario based on zero net international migration has been prepared for comparison with the central projections for new dwelling requirements.

According to the NISRA 2018-based projections, the total Northern Ireland population is projected to increase by 70,310 between 2030 and 2035 (Table 3.16). In the central medium household growth scenario, the NISRA population projections result in an additional 68,610 newly arising households, giving rise to new dwelling requirements of 84,670 without the backlog and 95,620 dwellings when the backlog is included. When net international migration is set to zero, the population increase is 29,530 less than in the principal NISRA projection (Table 3.16). That results in 9,670 fewer households and a reduction of almost 10,000 in the new dwelling requirements (-12 per cent when the backlog is excluded and -10 per cent when the backlog is included).

Table 3.16 Projected new dwelling requirements and population change scenarios, 2020-2035, N. Ireland, medium household growth scenario

	Central household growth projection[1]	Population change scenario:	
		Zero net international migration	NISRA interim 2020-based
Population			
Change	70,310	40,770	41,790
Difference[2]		*-29,530*	*-28,520*
Households			
Change	68,610	58,940	67,720
Difference[2]		*-9,670*	*-890*
Requirements			
Excluding backlog	84,670	74,700	84,030
Including backlog	95,620	85,640	94,970
Difference[2,3]		*-9,970*	*-640*

1 The medium household growth scenario, based on NISRA's principal 2018-based population projections.
2 Difference from central projections.
3 As the backlog is the same in both the central and variant scenarios, the difference made to the projected new dwelling requirements is also the same whether the backlog is included or excluded.

The implications of a variation in the natural change assumptions can be illustrated from NISRA's interim 2020-based population projections for Northern Ireland, published in January 2022.

Compared to the 2018-based population projections, the main features of the interim 2020-based projections are as follows:

- A substantial reduction in the fertility assumptions, resulting in 29,640 fewer births (-9.3 per cent compared with the 2018-based projections).

- A modest increase in mortality, with 4,050 more deaths (+2.8 per cent).

- An uplift to the net international migration assumptions of an additional 350 per annum (+24 per cent).

Mainly reflecting the reduced numbers of births, when compared with the 2018-based projections, the interim 2020-based projections yield a reduction of 28,520 (-41 per cent) in the population growth anticipated over the period 2020 to 2035 (Table 3.16). Nonetheless, the effect on the projected number of households is very limited, a reduction of just 890 (-1.3 per cent). Consequently, there is only a marginal effect on the projected new dwelling requirements, down by -640 (-0.7 per cent when the backlog is included).

The reason that the interim projections have such a modest effect on projected new dwelling requirements is that newly arising households are formed from the adult population. Children born between 2020 and 2035 would not be forming households until 2040 and beyond. Alternatively, fewer births would lead to a reduction in average household size but would not affect the overall number of households.

By contrast, the age distribution of immigrants is skewed towards the working age population. Consequently, a migration inflow is typically accompanied by new household formation and a reduction in migration inflows will lead directly to fewer households, as illustrated in the net zero international migration scenario. For that reason, the outlook for international migration can be considered the main risk in the population growth assumptions underlying the projections for new dwelling requirements 2020 to 2035.

At the level of Housing Market Areas and LGDs, it is necessary to consider internal migration flows, to and from areas within Northern Ireland, in addition to international flows. For that reason, population change scenarios are considered in the accompanying SHMA reports to reflect the specific issues associated with the relevant geographical areas.

The projected tenure proportions are also subject to uncertainty. First, the tenure split in the projected new dwelling requirements assumes the continued availability of Housing Benefit. Modelling the potential impact of a change in the availability of Housing Benefit would, ideally, be conducted using a household survey dataset in which households in receipt of Housing Benefit can be separately identified. Such a dataset is not available at the geographic level of detail required for this SHMA.

Nonetheless, an indication of the tenure split in the absence of Housing Benefit can be gleaned by running the net stock model in a scenario where the average amount of Housing Benefit received by households is omitted from the household income estimates. That scenario will tend to understate the potential impact of non-availability of Housing Benefit, as the variability in receipt of Housing Benefit is absent from an average income measure.

However, the scenario is useful in highlighting that, when average Housing Benefit is excluded from average household income, the projected social tenure proportion would increase by an estimated 3.5 percentage points in the medium household growth scenario (Table 3.17). The modelled increase ranges from +3.1 percentage points in Mid Ulster to +4.7 percentage points in Derry City and Strabane.

Table 3.17 Tenure proportions, including and excluding Housing Benefit, no backlog, percentage points difference by LGD

	Market	Intermediate	Social
	%	%	%
Antrim and Newtownabbey	-2.1	-1.5	3.6
Ards and North Down	-1.4	-1.9	3.3
Armagh City, Banbridge and Craigavon	-2.2	-1.4	3.6
Belfast	-1.6	-2.6	4.2
Causeway Coast and Glens	-2.4	-1.3	3.7
Derry City and Strabane	-3.0	-1.8	4.7
Fermanagh and Omagh	-2.3	-0.9	3.2
Lisburn and Castlereagh	-0.9	-1.8	2.7
Mid and East Antrim	-2.1	-1.6	3.7
Mid Ulster	-1.5	-1.6	3.1
Newry, Mourne and Down	-1.9	-1.3	3.2
N. Ireland	**-1.8**	**-1.7**	**3.5**

The scenario in which Housing Benefit is excluded from gross household income can also be viewed as an income shock at the lower end of the income distribution. On average, Housing Benefit accounts for two per cent of the median household income, but eight per cent of the lower quartile of household incomes. The loss of that resource at the lower quartile would have implications for households' ability to sustain rental accommodation, leading to the increased proportions of social sector households illustrated in Table 3.17.

Finally, the projections for new dwelling requirements are also sensitive to the assumptions made for the components of the net stock model, as outlined in Annex 3.A. For example, if the assumption for net changes due to demolitions and conversions was to be increased, the projected new dwelling requirements would also rise, and vice versa. That source of uncertainty has been managed by taking a nine-year historical average of net changes rather than using some shorter and more erratic time period.

Varying the assumptions for the vacant dwellings proportion of the housing stock would also affect the projected requirement. Specifically, if the proportion is assumed to increase over the projection period, the projected number of new dwellings will be higher by comparison with the constant vacancy rate assumption used for the projections presented in this Section. That is because additional new dwellings would be required to supply the assumed increase in the vacancy rate. Conversely, if the vacancy rate was assumed to decrease, the projected new dwelling requirement would also fall, as dwellings that are vacant in the baseline are brought back into use. The analyses reported in the SHMAs did not suggest a need to either raise or lower the baseline estimates for vacant dwellings proportions.

Similarly, if the proportion of households owning second homes within Northern Ireland was assumed to increase over the projection period, the projected new dwelling requirement would also rise, and vice versa. There is only very limited information available on second home ownership and, for the net stock model used in the SHMA reports, no basis for making assumptions other than those set out in Annex 3.A below.

In that regard, it is important to note that the projected new dwellings requirement includes an allowance for housing, which is not permanently occupied as a primary residence (vacant dwellings and second homes). As indicated above and in the separate SHMA reports, the presence of second homes is demand led and therefore they are not a component of housing need and do not contribute to meeting housing need. However, this is not to say that second homes have no effect on local housing needs. Rather, in areas where there is demand for second homes, available housing may be more limited, which may lead to higher housing costs and this may reduce the supply of affordable housing for local people. As set out in the 2015 SPPS (para 6.142), Councils may wish to consider zoning land or include policy within the Local Development Plan, as appropriate, to reflect the local need resulting from demand for second homes.

3.6 Comparison with HGIs and Social Housing Need Estimates

It is useful to conclude by briefly considering how the projected new dwelling requirements presented in this Section compare with the Housing Growth Indicators (HGIs) published by the Department for Infrastructure in September 2019 to assist with the local development planning process. Strictly speaking, the projected new dwelling requirement projections are not comparable with the published HGIs. The main differences are as follows:

- The HGIs project new dwelling requirements for the 14-year period 2016 to 2030 whereas this Section presents requirements over the 15-year period 2020 to 2035.
- The HGIs are based on the NISRA 2016-based household projections. The projections in this Section employ the medium household growth scenario, described in the accompanying Appendix A.
- The HGIs are based solely on newly arising households and do not include a backlog component.
- The projections in this Section include an affordability analysis, which is not part of the HGIs.

Bearing those caveats in mind, the projected new dwelling requirements 2020 to 2035 in the medium household growth scenario ('the SHMA projections'), without the backlog, are shown in Table 3.18 alongside the annualised HGIs 2016 to 2030.

As can be seen, the annualised Northern Ireland projection in the medium household growth scenario (5,640) is slightly below the annualised HGI projection (6,000[34]), by a margin of -6 per cent. As the HGIs encompass the historical period 2016-2020, it is possible to adjust the projected total new dwelling requirement 2016 to 2030 by subtracting new dwelling completions between 2016 and 2020. When that is done, the annualised HGI requirement for 2020 to 2030 drops slightly to 5,760[35], bringing the HGI and SHMA projections more closely into line (a difference of two per cent).

[34] The annualised HGI figure shown in Table 3.17 differs from the published projection for new annual dwelling requirements (5,700). The reason for that is the figure published by DfI is derived by dividing the projected total new annual dwelling requirement by 15. As new dwelling requirements are a projected annual flow, this report uses a divisor of 14, that being the number of annual periods between 2016 and 2030.

[35] Between 2016 and 2020, LPS recorded a total of 26,420 dwellings as having been completed, which is 2,600 higher than the figure of 24,000 implied by the HGIs (6,000 per annum for four years). Hence, the slight reduction in the annualised HGI requirement for the remaining 10 years 2020 to 2030.

Table 3.18 Annualised new dwelling requirements 2020-2035, no backlog, compared with Housing Growth Indicators 2016-2030

	Medium household growth scenario[1]	Housing Growth Indicator	
	2020-2035	**2016-2030[2]**	**Adjusted, 2020-2030[3]**
Antrim and Newtownabbey	340	300	190
Ards and North Down	370	390	230
Armagh City, Banbridge and Craigavon	1,030	1,220	1,310
Belfast	620	530	460
Causeway Coast and Glens	360	390	310
Derry City and Strabane	220	300	190
Fermanagh and Omagh	340	300	280
Lisburn and Castlereagh	760	760	750
Mid and East Antrim	330	380	350
Mid Ulster	650	730	720
Newry, Mourne and Down	630	720	740
N. Ireland	**5,640**	**6,000**	**5,760**

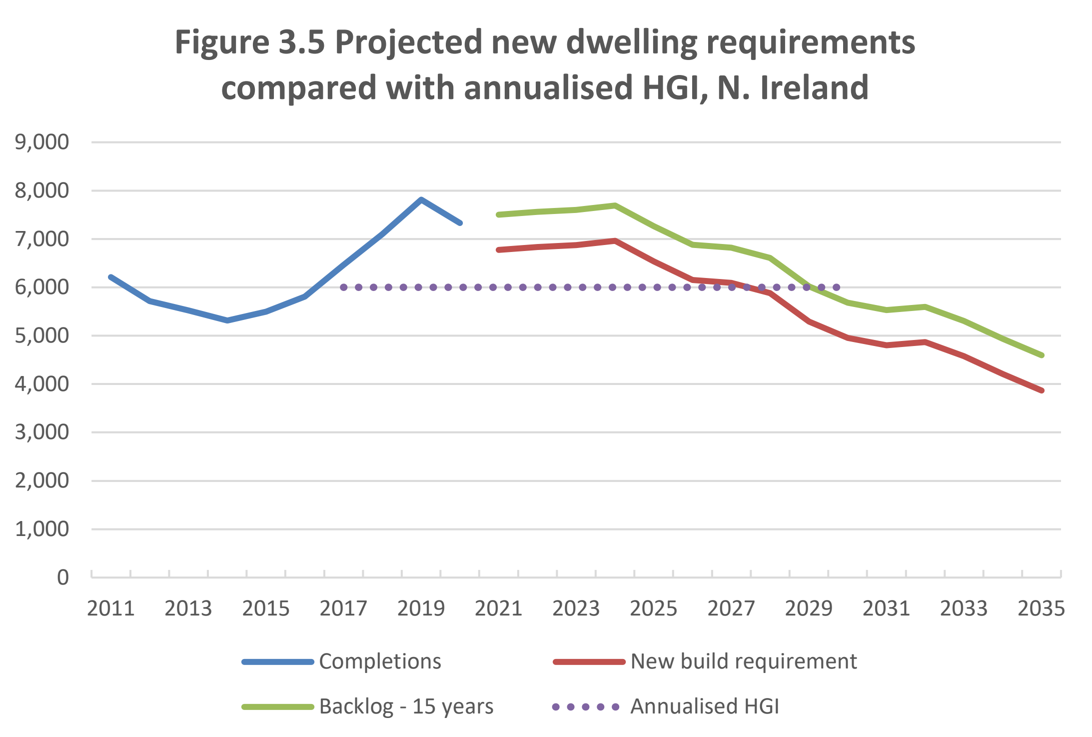
1. Excluding the backlog.
2. Annualised figures by LGD taken from DfI, Housing Growth Indicators.
3. Derived by subtracting new dwelling completions (source: LPS, New dwelling statistics) for the years 2016-17 through 2019-20 from the total HGI requirements projected for 2016 to 2030.

The differences by LGD between the SHMA projections (excluding the backlog) and the HGIs are discussed in the relevant SHMA reports. In general, the differences reflect three main factors. First, the SHMA projections encompass the period 2030 to 2035, when the rate of new household formation is projected to be lower than in the preceding decade (see Figure 3.1). That effect is apparent when the SHMA projections are annualised separately over the periods 2020 to 2030 and 2030 to 2035. As shown in Table 3.19, in the period 2020 to 2030, the SHMA projections are higher than the HGI projections. Conversely, between 2030 and 2035, the SHMA projections are below the HGI projections, as the former follow the lower trajectory of new household formation (see Figure 3.5).

Table 3.19 Annualised new dwelling requirements 2020-2035, no backlog, compared with Housing Growth Indicators 2016-2030

	Medium household growth scenario[1]		Housing Growth Indicator[2]
	2020-2030	**2030-2035**	**2016-2030**
	No.	*No.*	*No.*
New households	5,130	3,470	4,250
Other changes	1,110	1,000	1,750
Requirements	**6,240**	**4,460**	**6,000**
	%	%	%
New households	82	78	71
Other changes	18	22	29
Requirements	**100**	**100**	**100**

1. Excluding the backlog.
2. Annualised figures from DfI, Housing Growth Indicators.



The second main reason for differences between the SHMA and HGI figures lies in the assumptions for the components of projected new dwelling requirements.

In particular, the HGI projections (implicitly) assume that the vacant dwellings proportion will increase over the projection period. As discussed above, that means that additional dwellings must be supplied in order to achieve the higher vacancy rate. Thus, in the HGI projections, the changes due to vacant dwellings and second homes plus net changes due to replacements, etc., amount to 29 per cent of the projected total new dwelling requirements (Table 3.19). By contrast, in the SHMA projections, the sum of those components accounts for 18 per cent of the total requirements between 2020 and 2030 rising to 22 per cent between 2030 and 2035.

Third, the SHMA projections are based on a faster rate of new household formation. For the period 2030 to 2035, the SHMA projections average out at 5,130 per annum. That can be compared with the average of 3,470 per annum in the HGI projections. In addition, the SHMA projections have the facility to incorporate the backlog of unmet housing need, shown also in Figure 3.5 as a further point of comparison.

Annex 3.A Data Sources: Net Stock Model

In this report, the net stock model is implemented by assuming that:

- The vacant dwellings rate remains constant over the projection period.
- Dwellings required to clear the backlog are fully occupied, i.e. zero vacancies within that portion of the projected stock.
- The proportion of households owning second homes remains constant, i.e. the level grows with the increase in households.
- Net conversions are held constant at an average of the historic annual flow.

Statistics on the numbers of second homes and vacant dwellings are not published for Northern Ireland. However, from a net stock model perspective, vacant dwellings and second homes share a distinct characteristic, i.e. they each represent a type of unoccupied dwelling. The approach in this SHMA has therefore been taken forward in two stages:

- First, estimate the proportion of dwellings that are unoccupied, regardless of whether they are vacant dwellings or second homes.
- Second, allocate the estimated number of unoccupied dwellings between vacant dwellings and second homes.

The estimation of **the unoccupied stock** in the baseline period is calculated from the simple accounting identity:

Unoccupied stock = Total housing stock – Total households

For the 2020 baseline period in this Section, total housing stock figures by LGD and Electoral Ward are available from the LPS Housing Stock Statistics. From those data, the baseline housing stock levels by HMA and subarea can be calculated.

The estimates for total households have been made from the household projections for 2020, which vary between the updated, medium and high growth scenarios (see the accompanying Appendix A).

For a given household growth scenario, the proportion of the stock that is unoccupied is readily calculated by comparing the 2020 projected households with the 2020 dwelling stock statistics. In each scenario, that proportion is held constant over the projection period.

It may also be noted that, in the approach used here, for a given household growth scenario, the split between second homes and vacant dwellings within the estimated unoccupied dwelling stock is essentially notional, i.e. the projected new dwelling requirements are not affected by the allocation, albeit the allocation may be of interest in its own right.

The allocation of the unoccupied stock to **second homes** was as follows.

Drawing on survey data, the HGI exercise assumed that, at Northern Ireland level, the proportion of households with a second home is 1.1 per cent. When applied to the projected number of households, that assumption gives the total number of dwellings that are second homes.

For example, from the medium growth scenario, the projected total number of households in Northern Ireland in 2020 is 750,740. If 1.1 per cent of those households have a second home in Northern Ireland, that implies a total of 8,325 second home dwellings in 2020.

For this SHMA, the Northern Ireland total of second homes was allocated geographically using the distribution of second homes enumerated at the 2001 Census of Population[36,37]. The source is dated but it is a benchmark data point and the results would seem reasonable (Table A3.1)[38].

For example, in 2001, 44.1 per cent of second homes were located in the Causeway Coast HMA. Assuming their share of the Northern Ireland total remained at 44.1 per cent, by 2020 the number of second home dwellings across the HMA was 3,669, i.e. 44.1 per cent of 8,325. That equates to an estimated 5.6 per cent of the Causeway Coast HMA dwelling stock.

Once the number of second homes has been determined, the **vacant dwelling stock** is calculated as a residual in the baseline year, by taking the difference between the total housing stock, net of second homes, and the projected number of new households:

Vacant dwellings = (Total dwelling stock – Second homes) - Households

The proportion will therefore vary according to the chosen baseline and the household projection scenario.

An important advantage of the approach outlined above is that the net stock model can be implemented in a wholly consistent fashion throughout the projection period. That is, the fundamental accounting identity (dwelling stock = households + second homes + vacant dwellings) is satisfied both in the baseline year and in each year of the projection period.

[36] Information on second home ownership was not collected in the more recent 2011 Census of Population.
[37] DfI used a different method of spreading the Northern Ireland control total.
[38] Note that the geographical spreader is based on the housing stock and that is how the results are presented in Table A3.1.

Table A3.1 Second homes: LGD, 2020 estimated			
	Per cent of NI total[1]	No. of second homes[2]	Per cent of dwellings[3]
Antrim and Newtownabbey	1.0	85	0.1
Ards and North Down	11.6	969	1.3
Armagh City, Banbridge and Craigavon	1.8	148	0.2
Belfast	7.0	584	0.4
Causeway Coast and Glens	44.1	3,669	5.6
Derry City and Strabane	1.9	155	0.2
Fermanagh and Omagh	10.5	871	1.8
Lisburn and Castlereagh	1.0	82	0.1
Mid and East Antrim	5.0	412	0.7
Mid Ulster	1.4	112	0.2
Newry, Mourne and Down	14.8	1,235	1.7
N. Ireland	**100.0**	**8,324**	**1.0**

1. Estimated from Table CAS363, Census of Population 2001.
2. NI total of second homes multiplied by LGD's per cent share.
3. Second homes as per cent of dwelling stock, 2020 (dwelling stock sourced from LPS).

To implement the net stock model, **net changes** due to conversions, demolitions, etc. must be added to the projected changes in households, vacancies, and second homes. However, there is no data source available through which net changes can be directly measured. The only viable approach available is to estimate net changes as a residual by comparing new dwelling completions with changes in the housing stock:

Net changes = New dwelling completions – Change in housing stock

That is the same approach used in the production of the HGIs.

When the net changes estimate is positive, the new dwelling requirement is increased, to replace losses from the stock due to demolitions, etc.

When the net changes estimate is negative, the new dwelling requirement is reduced, as conversions, etc. add to the stock of dwellings available for newly forming households to occupy.

Net changes can fluctuate sharply when defined on an annual basis. It is therefore appropriate to take an average of a number of years as the input to the NSM projection.

Five, seven and nine year averages were examined and, following the HGI approach, the net stock model implemented for the SHMAs uses the nine year average from 2010-11 to 2018-19. For Northern Ireland, the annual average over that time period was 770.

Table A3.2 The gross backlog categories by LGD				
	Net	**Tenure / mismatch**	**Social**	**All**
CWL applicants				
Antrim and Newtownabbey	720	1,040	490	2,250
Ards and North Down	550	1,340	510	2,400
Armagh City, Banbridge and Craigavon	520	1,180	360	2,060
Belfast	3,770	3,940	2,410	10,130
Causeway Coast and Glens	510	1,020	390	1,920
Derry City and Strabane	1,760	1,600	710	4,070
Fermanagh and Omagh	310	680	220	1,210
Lisburn and Castlereagh	670	800	380	1,850
Mid and East Antrim	570	1,060	400	2,030
Mid Ulster	420	750	240	1,410
Newry, Mourne and Down	1,140	1,350	420	2,910
N. Ireland	**10,940**	**14,750**	**6,530**	**32,220**
Per cent of total				
Antrim and Newtownabbey	32	46	22	100
Ards and North Down	23	56	21	100
Armagh City, Banbridge and Craigavon	25	57	17	100
Belfast	37	39	24	100
Causeway Coast and Glens	27	53	20	100
Derry City and Strabane	43	39	17	100
Fermanagh and Omagh	25	56	18	100
Lisburn and Castlereagh	36	43	21	100
Mid and East Antrim	28	52	20	100
Mid Ulster	30	53	17	100
Newry, Mourne and Down	39	46	14	100
N. Ireland	**34**	**46**	**20**	**100**

Table A3.2 The gross backlog categories by LGD				
	Net	**Tenure / mismatch**	**Social**	**All**
Per cent of households				
Antrim and Newtownabbey	1.3	1.8	0.9	3.9
Ards and North Down	0.8	2.0	0.8	3.5
Armagh City, Banbridge and Craigavon	0.6	1.4	0.4	2.5
Belfast	2.6	2.7	1.6	6.9
Causeway Coast and Glens	0.9	1.8	0.7	3.4
Derry City and Strabane	3.0	2.7	1.2	6.9
Fermanagh and Omagh	0.7	1.5	0.5	2.8
Lisburn and Castlereagh	1.2	1.4	0.7	3.2
Mid and East Antrim	1.0	1.9	0.7	3.6
Mid Ulster	0.8	1.5	0.5	2.7
Newry, Mourne and Down	1.7	2.0	0.6	4.3
N. Ireland	**1.5**	**2.0**	**0.9**	**4.3**
Source: NIHE, Common Waiting List, June 2019. Household proportion estimated.				

Annex 3.B New Dwelling Requirements: Net Stock Model Projections by Local Government District

Table A3B.1 Medium household growth - new dwelling requirements and components, 2020-2035, net stock model with no backlog						
	Changes, 2020 to 2035:				**Net changes**	**Requirements**
	Households	**Backlog**	**Vacant stock & second homes**	**Dwellings**		
Changes 2020-2035						
Antrim and Newtownabbey	5,000	0	310	5,310	-220	5,090
Ards and North Down	4,860	0	400	5,260	210	5,480
Armagh City, Banbridge and Craigavon	12,790	0	570	13,360	2,040	15,400
Belfast	7,350	0	610	7,960	1,410	9,370
Causeway Coast and Glens	2,860	0	230	3,080	2,360	5,440
Derry City and Strabane	3,060	0	220	3,280	90	3,370
Fermanagh and Omagh	3,270	0	390	3,660	1,380	5,040
Lisburn and Castlereagh	10,200	0	570	10,770	570	11,340
Mid and East Antrim	3,670	0	250	3,920	960	4,880
Mid Ulster	7,060	0	460	7,520	2,260	9,780
Newry, Mourne and Down	8,490	0	520	9,010	480	9,490
N. Ireland	**68,610**	**0**	**4,520**	**73,130**	**11,540**	**84,670**

Table A3B.1 Medium household growth - new dwelling requirements and components, 2020-2035, net stock model with no backlog

	Changes, 2020 to 2035:				Net changes	Requirements
	Households	Backlog	Vacant stock & second homes	Dwellings		
Annualised changes						
Antrim and Newtownabbey	330	0	20	350	-10	340
Ards and North Down	320	0	30	350	10	370
Armagh City, Banbridge and Craigavon	850	0	40	890	140	1,030
Belfast	490	0	40	530	90	620
Causeway Coast and Glens	190	0	20	210	160	360
Derry City and Strabane	200	0	10	220	10	220
Fermanagh and Omagh	220	0	30	240	90	340
Lisburn and Castlereagh	680	0	40	720	40	760
Mid and East Antrim	240	0	20	260	60	330
Mid Ulster	470	0	30	500	150	650
Newry, Mourne and Down	570	0	30	600	30	630
N. Ireland	**4,570**	**0**	**300**	**4,880**	**770**	**5,640**

Table A3B.2 Medium household growth - new dwelling requirements and components, 2020-2035, net stock model with backlog

	Changes, 2020 to 2035:				Net changes	Requirements
	Households	Backlog	Vacant stock & second homes	Dwellings		
Changes 2020-2035						
Antrim and Newtownabbey	5,000	720	310	6,030	-220	5,810
Ards and North Down	4,860	550	400	5,810	210	6,020
Armagh City, Banbridge and Craigavon	12,790	520	570	13,880	2,040	15,920
Belfast	7,350	3,770	610	11,730	1,410	13,140
Causeway Coast and Glens	2,860	510	230	3,590	2,360	5,950
Derry City and Strabane	3,060	1,760	220	5,040	90	5,130
Fermanagh and Omagh	3,270	310	390	3,970	1,380	5,350
Lisburn and Castlereagh	10,200	670	570	11,440	570	12,010
Mid and East Antrim	3,670	570	250	4,490	960	5,450
Mid Ulster	7,060	420	460	7,940	2,260	10,200
Newry, Mourne and Down	8,490	1,140	520	10,150	480	10,630
N. Ireland	**68,610**	**10,940**	**4,520**	**84,080**	**11,540**	**95,620**

Table A3B.2 Medium household growth - new dwelling requirements and components, 2020-2035, net stock model with backlog

	Changes, 2020 to 2035:				Net changes	Requirements
	Households	Backlog	Vacant stock & second homes	Dwellings		
Annualised changes						
Antrim and Newtownabbey	330	50	20	400	-10	390
Ards and North Down	320	40	30	390	10	400
Armagh City, Banbridge and Craigavon	850	30	40	930	140	1,060
Belfast	490	250	40	780	90	880
Causeway Coast and Glens	190	30	20	240	160	400
Derry City and Strabane	200	120	10	340	10	340
Fermanagh and Omagh	220	20	30	260	90	360
Lisburn and Castlereagh	680	40	40	760	40	800
Mid and East Antrim	240	40	20	300	60	360
Mid Ulster	470	30	30	530	150	680
Newry, Mourne and Down	570	80	30	680	30	710
N. Ireland	**4,570**	**730**	**300**	**5,610**	**770**	**6,370**

Table A3B.3 New dwelling requirements by tenure, LGDs, excluding backlog, medium household growth scenario, 2020-2035

	Market	Intermediate	Social	All
Requirements 2020-2035				
Antrim and Newtownabbey	3,370	910	820	5,090
Ards and North Down	3,470	1,060	950	5,480
Armagh City, Banbridge and Craigavon	10,310	2,680	2,410	15,400
Belfast	5,040	2,090	2,250	9,370
Causeway Coast and Glens	3,630	930	880	5,440
Derry City and Strabane	2,060	680	630	3,370
Fermanagh and Omagh	3,570	860	610	5,040
Lisburn and Castlereagh	7,280	2,050	2,010	11,340
Mid and East Antrim	3,170	890	830	4,880
Mid Ulster	6,460	1,740	1,580	9,770
Newry, Mourne and Down	6,540	1,570	1,370	9,490
N. Ireland	**54,890**	**15,450**	**14,330**	**84,670**
Per cent of total				
Antrim and Newtownabbey	66	18	16	100
Ards and North Down	63	19	17	100
Armagh City, Banbridge and Craigavon	67	17	16	100
Belfast	54	22	24	100
Causeway Coast and Glens	67	17	16	100
Derry City and Strabane	61	20	19	100
Fermanagh and Omagh	71	17	12	100
Lisburn and Castlereagh	64	18	18	100
Mid and East Antrim	65	18	17	100
Mid Ulster	66	18	16	100
Newry, Mourne and Down	69	17	14	100
N. Ireland	**65**	**18**	**17**	**100**

Table A3B.4 New dwelling requirements by tenure, LGDs, including backlog, medium household growth scenario, 2020-2035				
	Market	**Intermediate**	**Social**	**All**
Requirements 2020-2035				
Antrim and Newtownabbey	3,370	910	1,540	5,810
Ards and North Down	3,470	1,060	1,500	6,020
Armagh City, Banbridge and Craigavon	10,310	2,680	2,940	15,920
Belfast	5,040	2,090	6,020	13,140
Causeway Coast and Glens	3,630	930	1,390	5,950
Derry City and Strabane	2,060	680	2,390	5,130
Fermanagh and Omagh	3,570	860	920	5,350
Lisburn and Castlereagh	7,280	2,050	2,680	12,010
Mid and East Antrim	3,170	890	1,400	5,450
Mid Ulster	6,460	1,740	2,000	10,190
Newry, Mourne and Down	6,540	1,570	2,520	10,630
N. Ireland	**54,890**	**15,450**	**25,280**	**95,620**
Per cent of total				
Antrim and Newtownabbey	58	16	27	100
Ards and North Down	58	18	25	100
Armagh City, Banbridge and Craigavon	65	17	18	100
Belfast	38	16	46	100
Causeway Coast and Glens	61	16	23	100
Derry City and Strabane	40	13	47	100
Fermanagh and Omagh	67	16	17	100
Lisburn and Castlereagh	61	17	22	100
Mid and East Antrim	58	16	26	100
Mid Ulster	63	17	20	100
Newry, Mourne and Down	62	15	24	100
N. Ireland	**57**	**16**	**26**	**100**

Table A3B.5 Projected new dwelling requirements and household growth scenarios, by LGD, 2020-2035, excluding backlog

	Updated	Medium	High
	No.	*No.*	*No.*
Requirements 2020-2035			
Antrim and Newtownabbey	4,340	5,090	5,770
Ards and North Down	4,640	5,480	6,250
Armagh City, Banbridge and Craigavon	14,400	15,400	16,320
Belfast	7,110	9,370	11,500
Causeway Coast and Glens	5,030	5,440	5,860
Derry City and Strabane	2,230	3,370	4,210
Fermanagh and Omagh	4,780	5,040	5,350
Lisburn and Castlereagh	10,560	11,340	12,040
Mid and East Antrim	4,240	4,880	5,500
Mid Ulster	9,220	9,780	10,300
Newry, Mourne and Down	8,570	9,490	10,280
N. Ireland	**75,120**	**84,670**	**93,360**
Annualised			
Antrim and Newtownabbey	290	340	380
Ards and North Down	310	370	420
Armagh City, Banbridge and Craigavon	960	1,030	1,090
Belfast	470	620	770
Causeway Coast and Glens	340	360	390
Derry City and Strabane	150	220	280
Fermanagh and Omagh	320	340	360
Lisburn and Castlereagh	700	760	800
Mid and East Antrim	280	330	370
Mid Ulster	610	650	690
Newry, Mourne and Down	570	630	690
N. Ireland	**5,010**	**5,640**	**6,220**

Table A3B.6 Projected new dwelling requirements and household growth scenarios, by LGD, 2020-2035, including backlog			
	Updated	**Medium**	**High**
	No.	*No.*	*No.*
Requirements 2020-2035			
Antrim and Newtownabbey	5,060	5,810	6,490
Ards and North Down	5,190	6,020	6,800
Armagh City, Banbridge and Craigavon	14,920	15,920	16,840
Belfast	10,880	13,140	15,270
Causeway Coast and Glens	5,540	5,950	6,370
Derry City and Strabane	4,000	5,130	5,970
Fermanagh and Omagh	5,090	5,350	5,650
Lisburn and Castlereagh	11,230	12,010	12,710
Mid and East Antrim	4,810	5,450	6,070
Mid Ulster	9,640	10,200	10,720
Newry, Mourne and Down	9,710	10,630	11,420
N. Ireland	**86,060**	**95,620**	**104,310**
Annualised			
Antrim and Newtownabbey	340	390	430
Ards and North Down	350	400	450
Armagh City, Banbridge and Craigavon	990	1,060	1,120
Belfast	730	880	1,020
Causeway Coast and Glens	370	400	420
Derry City and Strabane	270	340	400
Fermanagh and Omagh	340	360	380
Lisburn and Castlereagh	750	800	850
Mid and East Antrim	320	360	400
Mid Ulster	640	680	710
Newry, Mourne and Down	650	710	760
N. Ireland	**5,740**	**6,370**	**6,950**

Table A3B.7 New dwelling requirements 2020-2035, tenure proportions in the updated household growth scenario by LGD

	Market	Intermediate	Social	All
Excluding backlog				
Antrim and Newtownabbey	66	18	16	100
Ards and North Down	63	19	17	100
Armagh City, Banbridge and Craigavon	67	17	15	100
Belfast	54	22	24	100
Causeway Coast and Glens	67	17	16	100
Derry City and Strabane	62	20	18	100
Fermanagh and Omagh	71	17	12	100
Lisburn and Castlereagh	64	18	18	100
Mid and East Antrim	65	18	17	100
Mid Ulster	66	18	16	100
Newry, Mourne and Down	69	17	14	100
N. Ireland	**65**	**18**	**17**	**100**
Including backlog				
Antrim and Newtownabbey	57	15	28	100
Ards and North Down	57	17	26	100
Armagh City, Banbridge and Craigavon	65	17	18	100
Belfast	35	15	50	100
Causeway Coast and Glens	61	16	24	100
Derry City and Strabane	35	11	54	100
Fermanagh and Omagh	67	16	17	100
Lisburn and Castlereagh	60	17	22	100
Mid and East Antrim	57	16	27	100
Mid Ulster	63	17	20	100
Newry, Mourne and Down	61	15	24	100
N. Ireland	**57**	**16**	**27**	**100**

Table A3B.8 New dwelling requirements 2020-2035, tenure proportions in the high household growth scenario by LGD				
	Market	**Intermediate**	**Social**	**All**
Excluding backlog				
Antrim and Newtownabbey	66	18	16	100
Ards and North Down	63	19	17	100
Armagh City, Banbridge and Craigavon	67	17	16	100
Belfast	54	22	24	100
Causeway Coast and Glens	67	17	16	100
Derry City and Strabane	61	20	19	100
Fermanagh and Omagh	71	17	12	100
Lisburn and Castlereagh	64	18	18	100
Mid and East Antrim	65	18	17	100
Mid Ulster	66	18	16	100
Newry, Mourne and Down	69	17	15	100
N. Ireland	**64**	**18**	**17**	**100**
Including backlog				
Antrim and Newtownabbey	59	16	26	100
Ards and North Down	58	18	24	100
Armagh City, Banbridge and Craigavon	65	17	19	100
Belfast	40	17	43	100
Causeway Coast and Glens	61	16	23	100
Derry City and Strabane	43	14	43	100
Fermanagh and Omagh	67	16	17	100
Lisburn and Castlereagh	61	17	22	100
Mid and East Antrim	59	16	25	100
Mid Ulster	63	17	20	100
Newry, Mourne and Down	62	15	23	100
N. Ireland	**58**	**16**	**26**	**100**

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