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Plean Forbartha Áitiúla 2035
Dréacht-Straitéis an Phlean
Local Development Plan 2035
Draft Plan Strategy

Comhairliúchán ar Athruithe Dírithe
Dréacht-Straitéis an Phlean
Deireadh Fómhair 2026
Focused Changes Consultation Draft
Plan Strategy
October 2026

Comhairle Ceantair
an Iúir, Mhúrn agus an Dúin
Newry, Mourne and Down
District Council

Ag freastal ar an Dún agus Ard Mhacha Theas
Serving Down and South Armagh

Contents Page

1.0 Introduction.....2

2.0 Focused Changes.....4

3.0 Next Steps.....5

4.0 Schedule of Focused Changes.....6

Appendix A: Addendum 1 – Housing Strategy (Lichfields, September 2026).....20

1.0 Introduction

1.0 Newry, Mourne and Down District Council ('the Council') is currently in the process of developing a new Local Development Plan (LDP) for the district. This will provide a revised policy framework to inform planning decision making and guide development in the district until 2035.

1.1 The LDP is made up of two documents, the first of which is the draft Plan Strategy, which is then followed by the Local Policies Plan. The draft Plan Strategy was published on 27 June 2025 and was subject to a 12-week public consultation period up to 22 September 2025. Following closure of the public consultation period, the Council received 102 representations raising a wide range of issues.

1.2 Having considered in detail all representations received during the public consultation on the draft Plan Strategy, the Council is now proposing a number of focused changes which are contained within this consultation report.

1.3 In preparing this report, the Council has taken account of the Department for Infrastructure's 'Development Plan Practice Note 10 – Submitting Development Plan Documents for Independent Examination (December 2019)' (DPPN 10).

1.4 A focused change[1] is one that needs addressed to ensure there is no impact on the soundness of the draft Plan Strategy. A minor change is described as one that would not impact on soundness of the Plan (and includes, for example, typographical errors). All minor changes will be provided as part of the submission of documents to the Department for Infrastructure to cause an Independent Examination.

1.5 The focused changes to the draft Plan Strategy are subject to an 8-week public consultation from **9am on 26 October 2026 – 5pm on 21 December 2026**. The purpose of the consultation is to inform interested parties of the focused changes to the draft Plan Strategy and afford them the opportunity to provide comments for further consideration at Independent Examination.

1.6 If responding to this consultation, **comments should be limited to those that relate to the 'soundness' of the focused changes**. It is important to note that this consultation is not an opportunity to add to previous representations or to make new comments on parts of the original draft Plan Strategy which are not subject to change. Further information on 'soundness' and the soundness tests can be found in the Department for Infrastructure's 'Development Plan Practice Note 06 – Soundness (May 2017)' (DPPN 6).

[1] The Focused Changes are provided as an addendum to the draft Plan Strategy

1.7 Comments on the focused changes should be made in writing and emailed to ldp@nmandd.org or by post to the LDP team at the following address:

Local Development Plan Team

Planning Office

Downshire Civic Centre

Ardglass Road

Downpatrick

BT30 6GQ

1.8 The deadline for comments is **5pm on 21 December 2026**. Comments received after this deadline will not be accepted. Hard copies of the 'Schedule of Focused Changes' can be made available on request.

1.9 Following closure of the consultation period, all comments received will be made available for public inspection and placed on the Council's website. A copy of comments received will also be supplied to the Department for Infrastructure as part of the Independent Examination process. Further details are available in our LDP Privacy Notice located on the Council's website.

2.0 Focused Changes

2.0 The Council has compiled Table 1 which identifies the Schedule of Focused Changes. The focused changes to text have been identified as follows:

- text that is being removed is shown in ~~red strikethrough~~
- new or amended text is coloured in blue.

2.1 The focused changes contained within this report are ordered as they arise in the draft Plan Strategy (dPS) and are identified by the appropriate section, policy, paragraph or table.

2.2 For each focused change, the document sets out the following:

- Focused Change Reference Number
- dPS section or policy (including page, paragraph/table number as applicable)
- Current text to be changed
- Focused Change and Council's consideration
- dPS Representation Reference Number identifying representation which raised the issue.

2.3 The focused changes have also been assessed under the Sustainability Appraisal (SA) incorporating Strategic Environmental Assessment (SEA), Draft Habitats Regulations Assessment (HRA), Draft Equality (Section 75) Screening Report and Draft Rural Needs Impact Assessment (RNIA). These have been considered within the relevant Addendums published alongside the Schedule of Focused Changes. Comments are invited on these Addendums in addition to comments on the focused changes.

2.4 A large part of the draft Plan Strategy remains unaffected by the focused changes and therefore not referenced in this report.

2.5 It should be noted that the Council has considered every representation submitted to the draft Plan Strategy that was received within the public consultation period. The Council's responses to the issues raised in those representations will be presented in a Public Consultation Report which will be submitted as part of the documentation required for Independent Examination.

3.0 Next Steps

3.0 As soon as reasonably practicable after the expiry date of the 8-week consultation period, the Council will submit the draft Plan Strategy and all associated documents to the Department for Infrastructure to cause an Independent Examination. All documents submitted to the Department, including those comments received on the focused changes, will also be made available for public inspection on the Council's website.

3.1 The Department for Infrastructure will determine whether any changes to the Plan Strategy, as recommended by the PAC or Independent Inspector raised as part of the Independent Examination, should be implemented.

3.2 For further information on the LDP, please visit the Council's website at www.newrymournedown.org

4.0 Table 1 Schedule of Focused Changes

PART 1

Ref No.	Page No.	Policy	Paragraph/Table & Current Text	Proposed Change	Type of Change	Rep No.	Council Consideration
5 Spatial Growth Strategy and Strategic Policies							
FC1	Page 83-84	Policy HS1	Policy HS1 (as shown); J&A of HS1 (as shown); Table 7 – Indicative Strategic Housing Land Allocation 2020-2035 (including updates to text)	After the first paragraph of policy insert the following paragraph: In order to ensure the housing requirement can be met, the Plan Strategy proposes an indicative strategic housing allocation of 11,722-12,758 units, allowing for a non-implementation allowance. This takes account of completions, existing commitments and includes an allowance for urban capacity and windfall. Amend the penultimate paragraph of policy to reflect the updated percentage for city and towns as follows: Table 7 shows that up to ~~approximately~~ 65% of the total expected housing delivery over the LDP period is in the city and towns.	**Focused Change** To ensure soundness tests are met	NMD-DPS-058, NMD-DPS-093	The Council has updated the strategic housing allocation to take account of the passage of time since publication of the draft Plan Strategy. Table 7 has been amended in its entirety to take account of updated 2025 housing monitor information. The revised table now includes figures before and after application of the 10% non-implementation allowance. Having considered the representations on the level of housing provision in Newcastle, its allocation has been uplifted to that shown in the amended Table 7. The uplift to Newcastle to further address housing need in the local area is considered to be in line with the LDP Housing Strategy with the

				Amend the Justification and Amplification first paragraph as follows: It will seek to deliver up to ~~approximately 61%~~ 60% of the district's housing within its city and towns over 5,000 population. Amend the Justification and Amplification second paragraph as follows: Table 7 sets out an allocation, before application of a non-implementation allowance, of between ~~12,025~~ 12,285 and ~~12,863~~ 13,436 over the plan period 2020-2035. Amend the Justification and Amplification third paragraph as follows: The ~~2024 Housing R~~review of the Council's evidence base suggested that a non-implementation allowance be applied to the strategic housing allocation ~~(see Technical Supplement 2 – Housing)~~. This has resulted in an adjusted provision of between ~~11,373~~ 11,722 and			majority of growth focused in the district's city and towns. Further review will be carried out at LPP Stage. The reduction in anticipated deliverability in Phase 1 sites as set out in Table 7 reflects a more realistic assessment of likely deliverability rates within the remaining plan period. An adjustment to the level of housing allocation between Phase 1 and Phase 2 lands in Downpatrick has been applied following consideration of representations and further work on deliverability **(see FC2)**. **Further detail is set out in Addendum 1 - Housing Strategy (Lichfields, September 2026) to Technical Supplement 2, Appendix 2B Review of Housing Strategy (Lichfields, March 2025).**

				~~12,127~~ 12,758 dwellings between 2020 and 2035 (see table 7 ~~7.14 Technical Supplement 2 – Housing~~).			
FC2	Page 86	Policy HS3	J&A of HS3 (as shown)	Replace the fourth paragraph of the Justification and Amplification under subheading Newry City and Towns as follows: ~~Where it is demonstrated that there is insufficient Phase 1 housing land to meet affordable housing needs, and where this is supported by NIHE, consideration will be given to the release of Phase 2 lands.~~ Phase 2 lands are identified in Downpatrick and Ballynahinch. These lands will be released as follows: Downpatrick: DK07 – if the necessary transportation infrastructure associated with Phase 1 is completed to an appropriate stage. Although some of DK07 supply is counted as Phase 2 for monitoring purposes, there is no restriction on any part of the	**Focused Change** To ensure soundness tests are met	NMD-DPS-023, NMD-DPS-068, NMD-DPS-070	The Council has further considered the position regarding phasing of housing lands within the draft Plan Strategy. Addendum 1 - Housing Strategy (Lichfields, September 2026) highlights that the issue in relation to strategic Phase 2 sites is principally one of timing rather than fundamental deliverability or suitability for development. It states that the achievement of the identified housing target is not contingent on these sites. Although they may come forward during this Plan period, they are not expected to come forward in full and are not relied upon to meet the identified housing target. Although some of DK07 housing supply is counted as Phase 2 for monitoring purposes, there is no

				site coming forward within the Plan period. DK11, DK12 and DK13 – if the necessary transportation infrastructure associated with Phase 1 is complete and there is evidence of a need for additional supply through the five-year supply assessment. <u>Ballynahinch:</u> BH12 and BH14 – if there is a localised housing need identified by the NIHE which cannot be met through Phase 1 sites; or if there are insufficient Phase 1 sites remaining to provide a five-year supply. In line with the Plan, Monitor and Manage approach (SPPS, para 6.140) this will be reviewed further at the LPP stage.			restriction on any part of the site coming forward within the Plan period. **Further detail is set out in Addendum 1 - Housing Strategy (Lichfields, September 2026) to Technical Supplement 2, Appendix 2B Review of Housing Strategy (Lichfields, March 2025).**
	Page 87			Amend the Justification and Amplification last paragraph under subheading Newry City and Towns as follows: At LPP stage the identification of all Phase 1 and Phase 2 sites ~~and their reclassification to Phase 1~~ will		NMD-DPS-070	The Council considers that the appropriate stage for consideration of the suitability, availability and deliverability of Phase 1 and Phase 2 lands is at LPP stage.

				follow a sequential approach whereby priority is given to those sites which are suitable, available and accessible ~~with greater accessibility to the city and town centres~~ and where necessary infrastructure is in place.			**Further detail is set out in Addendum 1 - Housing Strategy (Lichfields, September 2026) to Technical Supplement 2, Appendix 2B Review of Housing Strategy (Lichfields, March 2025).**

PART 2

Ref No.	Page No.	Policy	Paragraph & Current Text	Proposed Change	Type of Change	Rep No.	Council Consideration
6 General Policy and Operational Policies							
FC3	Page 158	Policy GP1	Policy text, Subheading 5 Historic Environment and Natural Heritage (bullet point 3): Measures to achieve biodiversity net gain should be identified at an early stage in the design process and incorporated into development proposals;	Measures to ~~achieve~~ promote biodiversity net gain should be identified at an early stage in the design process and incorporated into development proposals;	**Focused Change** To ensure soundness tests are met	NMD-DPS-073, 077 and 078	The Council has considered the representations received and agrees with the respondents that the intention of the policy is to support the delivery of biodiversity net gain (bng). The policy does not require a particular percentage of bng to be achieved. Wording has been revised to make it clear that the policy seeks to promote rather than achieve.
	Page 164		Justification and Amplification subheading The Historic Environment and Natural Heritage, fifth paragraph: The biodiversity mitigation hierarchy should be used in the design phase to help avoid biodiversity losses, reduce impacts and make it easier to achieve the required amount of biodiversity net gain.	The biodiversity mitigation hierarchy should be used in the design phase to help avoid biodiversity losses, reduce impacts and make it easier to ~~achieve the required amount~~ provide an enhanced level of biodiversity net gain.			In order to align with the updated policy wording the Council will, for clarity, amend the J&A as indicated.

FC4	Page 183	Policy HOU7	Policy text, third paragraph: The design of dwellings should ensure that they are capable of providing accommodation that is wheelchair accessible for those in society who are mobility impaired and be in accordance with space standards for wheelchair housing set out in LDP Supplementary Planning Guidance.	~~The design~~ A range of dwellings should be provided ~~ensure~~ that ~~they~~ are capable of providing accommodation that is wheelchair accessible for those in society who are mobility impaired. Dwellings should ~~and~~ be in accordance with ~~space standards for~~ wheelchair access standards ~~housing~~ set out in LDP Supplementary Planning Guidance.	**Focused Change** To ensure soundness tests are met	NMD-DPS-073	The Council acknowledges that Policy HOU7 is intended to be flexible and provide for a range of dwellings suitable for all needs in society. To avoid being overly prescriptive, the Council will amend the wording under paragraph 3 of Policy HOU7 as indicated.
FC5	Page 184	Policy HOU8	Policy text, second paragraph: New specialised residential housing should be located within the settlement limits unless it is clearly demonstrated that a countryside location is necessary to serve an identified need.	New ~~specialised~~ specialist residential ~~housing~~ accommodation should be located within the settlement limits unless it is clearly demonstrated that a countryside location is necessary to serve an identified need, subject to the sequential test.	**Focused Change** To ensure soundness tests are met	NMD-DPS-019 NMD-DPS-093	The Council acknowledges the different terms used in the policy and can confirm the policy applies to all specialist accommodation including shared accommodation and shared housing. The second paragraph of Policy HOU8 will be amended as indicated to provide greater clarity. The Council agrees with the Department that a countryside location should be subject to the application of a sequential test. Additional wording has been inserted.

	Page 184	Policy HOU8	Policy text, second paragraph: New specialised residential housing should be located within the settlement limits unless it is clearly demonstrated that a countryside location is necessary to serve an identified need.	After the second paragraph of policy insert the following paragraph: In circumstances where a countryside location is considered acceptable, such proposals will be assessed on their merits and will be subject to the following sequential test: a) Land adjacent to an existing settlement limit, subject to amenity and environmental considerations; b) A site close to a settlement limit which currently contains buildings or where the site is already in a degraded or derelict state and there is an opportunity to improve the environment; c) An undeveloped site in close proximity to a settlement where the development could be visually integrated into the landscape.		NMD-DPS-093	The Council agrees with the Department that a countryside location should be subject to the application of a sequential test. Additional wording has been inserted.

	Page 184	Policy HOU8	Justification and amplification, fifth paragraph: The location of housing intended for people with specialist housing needs will need careful consideration as not all sites will be suitable, for example, certain physical characteristics such as steep slopes may not be viable or provide ease of access. (cont.)	At the beginning of the fifth paragraph of the Justification and Amplification insert the following text: Specialist residential accommodation should be located in settlements unless it is demonstrated that there is an identified need for the facility within the countryside, subject to the sequential test. The location of housing intended for people with specialist housing needs will need careful consideration as not all sites will be suitable, for example, certain physical characteristics such as steep slopes may not be viable or provide ease of access. (cont.)		NMD-DPS-093	In order to align with the updated policy wording the Council will, for clarity, amend the J&A as indicated.
FC6	Page 202	Policy CF1	Policy text, first paragraph: Planning permission may be granted for new Community Facilities within settlements, unless it is clearly demonstrated that a countryside location is necessary to serve a local rural population.	After the first paragraph of policy insert the following paragraph: In circumstances where a countryside location is considered acceptable, such proposals will be assessed on their merits and will be subject to the following sequential test: a) Land adjacent to an existing settlement limit, subject to	**Focused Change** To ensure soundness tests are met	NMD-DPS-093	The Council accepts the Department's request to provide details on the sequential approach. This is inserted into the policy text as indicated.

				amenity and environmental considerations; b) A site close to a settlement limit which currently contains buildings or where the site is already in a degraded or derelict state and there is an opportunity to improve the environment; c) An undeveloped site in close proximity to a settlement where the development could be visually integrated into the landscape.			
FC7	Page 240	Policy RET4	Policy text, first paragraph: Planning permission may be granted outside city and town centres, but within the settlement limit, for a small-scale convenience shop which does not exceed 200 square metres gross external area, where it can be demonstrated that: a) It meets a defined local need which cannot be met within an	Planning permission may be granted outside city and town centres, but within the settlement limit, for a ~~small-scale~~ convenience shop of an appropriate scale, ~~which does not exceed 200 square metres gross external area,~~ where it can be demonstrated that: a) It meets a defined local need which cannot be met within an existing centre; and b) It will not adversely affect the vitality and viability of existing centres within its catchment.	**Focused Change** To ensure soundness tests are met	NMD-DPS-028	The Council has considered the representation and acknowledges that the 200sqm floorspace restriction is not referred to in Technical Supplement 4 Retail. The Council considers that floorspace is dealt with adequately under Policy RET3 in terms of the requirement for a retail impact assessment/assessment of need outside Newry City/Downpatrick Town Centre and all other town centres.

			existing centre; and b) It will not adversely affect the vitality and viability of existing centres within its catchment.				
		Policy RET4 second paragraph	Policy text, second paragraph: Proposals for a convenience retail facility at a roadside service facility which exceed 200 square metres gross external area may be permitted where they meet the above requirements and can demonstrate no significant detrimental impact on existing centres through the submission of a Retail Impact Assessment.	Within the settlement limit, p~~P~~roposals for a convenience ~~retail facility~~ shop of an appropriate scale at a roadside service facility ~~which exceed 200 square metres gross external area~~ may be permitted where they meet the above requirements and can demonstrate no significant detrimental impact on existing centres. In accordance with Policy RET3, applications may require ~~through~~ the submission of a Retail Impact Assessment or Assessment of Need.		NMD-DPS-093	The second paragraph of the policy is updated to take account of the removal of the 200sqm requirement in the first paragraph. The policy retains the requirement for convenience shops at a roadside service facility within a settlement to not adversely affect the vitality and viability of existing centres.
FC8	Page 243	Policy RET7	Policy text, second paragraph: Proposals for such facilities should normally be located	Proposals for such facilities should ~~normally~~ be located within existing buildings.	**Focused Change** To ensure soundness	NMD-DPS-093	The Council agrees with the Department to align wording with the SPPS and has removed reference to 'normally' from the policy.

			within existing buildings.		tests are met		
FC9	Page 249	Policy TOU3	Policy text, second paragraph: A proposal for a new hotel in the countryside must demonstrate a substantial benefit to tourism as well as sustainable benefits to the locality.	A proposal for a new hotel in the countryside must demonstrate an ~~substantial~~ exceptional benefit to tourism as well as sustainable benefits to the locality.	**Focused Change** To ensure soundness tests are met	NMD-DPS-093	The Council agrees with the Department to align wording with the SPPS and has replaced 'substantial' with 'exceptional' within the policy.
FC10	Page 264	Policy MIN2	Policy text, third paragraph: Subject to Policy MIN1, a proposal for mineral development within a designated Area of Constraint on Mineral Development (other than those considered valuable) may be granted planning permission when either of the following exceptional circumstances apply: a) For minor expansion of an existing mineral working; or b) Where the mineral is of limited occurrence in Northern Ireland and there is no reasonable	Subject to Policy MIN1, a proposal for mineral development within a designated Area of Constraint on Mineral Development (other than those considered valuable) may be granted planning permission when ~~either~~ any of the following exceptional circumstances apply: a) For minor expansion of an existing mineral working; or b) Where the mineral is of limited occurrence in Northern Ireland and there is no reasonable alternative source outside the Area of Constraint on Mineral Development; or c) The proposed operations are short-term and the	**Focused Change** To ensure soundness tests are met	NMD-DPS-093	The Council agrees with the Department in respect of permitting an exception to the policy on the basis that the Council is satisfied that the proposal is short term and the environmental and amenity implications are not significant. Additional wording has been inserted to provide greater clarity.

			alternative source outside the Area of Constraint on Mineral Development.	environmental and amenity implications are not significant.			
FC11	Page 287	Policy TCU1	Policy text, third paragraph: Proposals for telecommunications development will not normally be considered in Special Countryside Areas (SCA). However, where they are submitted, they will be required to meet the provisions of Policy LA1.	Third paragraph of policy change 'considered' to 'permitted' and insert new paragraph as follows: Proposals for telecommunications development will not normally be ~~considered~~ permitted in Special Countryside Areas (SCA). However, where they are submitted, they will be required to meet the provisions of Policy LA1. Proposals for telecommunications development should also avoid flood prone areas and consider alternative sites first. Where considered necessary for operational reasons, proposals within flood plains will be required to meet the provisions of Policy FRD1.	**Focused Change** To ensure soundness tests are met	NMD-DPS-093	The Council will, for clarity, change 'considered' to 'permitted' in third paragraph of policy. The Council agrees with the Department that clarification should be provided regarding the wording of the policy by inserting a new paragraph regarding telecommunications development in flood prone areas.
FC12	Page 300	Policy WM2 Criteria b	Policy text, criteria b: The proposed facility complies with one or more of the following locational criteria:	Insert additional bullet point at end of criteria b in policy as follows: - The proposal avoids (as far as is practicable)	**Focused Change** To ensure soundness	NMD-DPS-093	The Council agrees with the Department in respect of aligning the dPS policy text with the SPPS wording for the loss of the best and most

			(lists 5 bullet points)	the permanent loss of the best and most versatile agricultural land.	tests are met		versatile agricultural land. The Council will insert an additional bullet point under Part b after the fifth bullet point as indicated.
FC13	Page 309	Policy RE1	Policy text, under subheading Wind Energy, second paragraph: For all wind turbines a separation distance of 10 times rotor diameter to any sensitive receptor, with a minimum distance of not less than 500m for wind farms (defined as two or more turbines) will generally apply.	For ~~all~~ wind ~~turbines~~ farm development (comprising more than two turbines) separation distances will be assessed on a case-by-case basis with a minimum separation distance to occupied property ~~of 10 times rotor diameter to any sensitive receptor, with a minimum distance of~~ not less than 500m, ~~for wind farms (defined as two or more turbines) will~~ generally applying. A case-by-case approach will apply to all other wind turbine development.	**Focused Change** To ensure soundness tests are met	NMD-DPS-035; NMD-DPS-076	The SPPS Edition 2 published in December 2025 no longer contains a policy requirement for wind farm development (comprising more than two turbines) to have a separation distance of 10 times rotor diameter. The revised policy states that separation distance will be assessed on a case-by-case basis. The policy text has been updated to reflect the revised wording in the SPPS Edition 2 (para 6.227).

Newry, Mourne and Down District Council LDP 2035

Review of Draft Plan Strategy

Addendum 1 - Housing Strategy

Newry, Mourne & Down District Council 24

September 2026

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Contents

1.0 Introduction 1

2.0 Review of representations 3

Spatial growth strategy 3

3.0 Housing Requirement 5

Approach to the assessment of housing need 5

Alignment of housing and employment growth 6

4.0 Housing Supply 9

Components of supply 9

Zoned sites: Phase 1 and Phase 2 11

Urban Capacity Study sites 17

Windfalls 21

Non-implementation allowance 22

Five-year housing land supply 25

Affordable Housing 26

5.0 Demand and supply balance 27

6.0 Recommended Focused Changes 28

7.0 Towards the LPP 30

Appendices - Council's Evidence Base 32

Appendix A: Strategic Policy HS1 - Housing Land Allocation 33

Appendix B: Affordable Housing – Percentage Led Approach 37

1.0 Introduction

1.1 The Newry, Mourne and Down (NMD) Local Development Plan (LDP) Plan Strategy (PS) is at an advanced stage of preparation, having recently been subject to consultation. This represents the first statutory element of the LDP and establishes the spatial vision, objectives, growth strategy and strategic policies for the district.

1.2 The draft Plan Strategy (dPS) was published in June 2025, with public consultation taking place between 27 June and 22 September 2025. A total of 102 representations were received, of which approximately 40 raised issues in respect of the following housing-related policies:

1 HS1 Housing Allocation;

2 HS2 Protection of Zoned Housing Land; and,

3 HS3 Management of Housing Supply.

1.3 Consultation on any counter representations to be made took place between 30 January and 20 April 2026.

1.4 The Council has commenced work on a Public Consultation Report (PCR). To date, it has prepared a summary of the representations that were received, alongside initial officer responses to the issues raised. The next stage of the PCR requires a more detailed review of these representations and the preparation of focussed changes to address the key matters arising, particularly in relation to housing strategy, settlement hierarchy and housing land supply.

1.5 Lichfields has been instructed by NMDDC to assist in the preparation of the PCR and schedule of focused changes. This follows on from the preparation of the 'Review of the Housing Strategy' in March 2025 and the 'Review of Employment Strategy' in April 2025.

1.6 Focusing specifically on housing policies, the purpose of which is to:

1 Respond to the key themes contained in the representations that were submitted;

2 Assess the level of alignment between the housing and employment strategies contained within the PS;

3 Provide an update in respect of analysis of housing supply; and,

4 Make recommendations in respect of any Focused Changes that are required to respond to issues arising.

1.7 This report is structured as follows:

- **Section 2** Provides a review of the representations that were received in respect of housing policies;
- **Section 3** Assesses the identified housing requirement and the extent to which this is aligned with the employment strategy for NMD;
- **Section 4**: Provides an update on the components of housing supply and considers issues raised in relation to the deliverability and distribution of supply;

- **Section 5**: Considers the demand and supply balance, the revised distribution of housing supply, and continued alignment with the spatial growth strategy;
- **Section 6**: Sets out the recommended Focused Changes; and,
- **Section 7**: Outlines matters that will require further consideration through preparations towards the Local Policies Plan (LPP).

2.0 Review of representations

2.1 This section provides a high-level review of the representations made in respect of housing issues. This is intended to identify the issues raised inasmuch as they relate to the matters considered in the subsequent sections of this report. It is not intended to provide a detailed summary of or response to all of the representations which will be contained in the PCR.

Spatial growth strategy

Housing requirement

2.2 A number of representations addressed the proposed level of housing growth in NMD. DfI welcomed the vision for sustainable spatial growth with a focus on the creation of quality places and improvements to the health and wellbeing of residents. It welcomed the use of the SPPS and other sources – including HGIs – to establish the housing requirement and also supported the application of a 10% flexibility margin. It recognised that the requirement for 11,000 new homes would help to address the backlog of social housing need.

2.3 NIHE likewise welcomed application of a 10% flexibility allowance to the housing requirement which will contribute to the delivery of the NIHE overall medium growth requirement.

2.4 Other representations suggested that alternative housing growth scenarios should have been considered in establishing the housing requirement, including economic growth-led approaches and that the alignment of housing and employment requirements should have been considered. We address this matter in Section 3.

Sources of housing supply

2.5 Notwithstanding its support for the proposed level of housing growth, DfI did recommend that the NMDDC clarifies the difference between the stated requirement for 11,000 homes and the total allocation set out in Table 7 (12,025-12,863) within the PS and not just in the supporting evidence. We consider the sources of anticipated supply in this report but agree that a Focused Change should be made in order to provide this level of clarity within the PS itself.

2.6 It was suggested that the Housing Strategy should be reviewed to take account of land that is currently zoned, but which is known to have no prospect of being delivered. Whilst we agree that it is important to consider the deliverability of zoned sites, it is important to note that this review will take place as part of the LPP process. As such, the identified housing supply, which has been derived from the various sources, should be expressed only as an indicative numerical figure at PS. Clarity should be provided as to the precise level of future supply following a detailed review of sites at LPP stage. This underlines the importance of flexibility in the housing figures, including by way of application of a non-implementation allowance. We consider the different sources of supply in Section 4.

2.7 DfI expressed support for the adoption of a sequential approach to housing land and the use of urban capacity studies. However, other representations expressed concern about the use of the Urban Capacity Study as a source of potential supply:

1 It was suggested that this document did not have regard to matters such as land ownership, policy considerations or market factors.

2 It also queried whether the assumed density of 25dph is net or gross and claimed that this distinction could result in an over-estimation of the likely development yield.

3 Finally, it was claimed that the Urban Capacity Study gave inadequate consideration to the time required to secure planning permission and commence delivery, and to annual build rates. A representation argued that this meant that it was not possible to achieve a robust position in respect of the expected housing yield from such sites over the LDP period.

2.8 The phased approach to the release of housing land was supported, as was the commitment to ensuring that the housing requirement over the LDP period can be achieved on Phase 1 sites. However, it was stated that the dPS should include a mechanism and criteria in respect of the release of Phase 2 sites. We consider the differential approach that should be adopted in respect of Phase 1 and Phase 2 sites in Section 4.

3.0 Housing Requirement

3.1 Strategic Policy HS1 of the dPS states that *"the Council has identified a requirement for 11,000 new homes over the LDP period 2020-2035"* and that it has made provision for the delivery of 12,025 dwellings (or 12,863 dwellings including Phase 2 sites) in order to meet this requirement. The Policy refers to Technical Supplement 2 (Housing) which sets out the approach that has been taken in respect of the identification of the housing need over the LDP period.

3.2 We note that DfI and NIHE both endorsed the approach that has been taken in respect of the assessment of housing need and the application of a flexibility margin. However, some consultees have suggested that alternative scenarios should have been considered in establishing the housing requirement and have highlighted the recommendation contained in our report of March 2025 that consideration should be given to ensuring that the housing and economic growth objectives of NMD are adequately aligned.

Approach to the assessment of housing need

3.3 Our report of March 2025 provided a detailed overview of the approach that had been taken in the assessment of the housing requirement figure for the LDP period. It explained how the Housing Growth Indicators (HGI)[1] identified a total need of 10,000 dwellings for NMD (667dpa) over the 15-year period[2] between 2016 and 2030 and identified a number of options by which the HGI figure could be extrapolated forward to apply to the LDP period (2020 to 2035).

3.4 The report used an assessment of past trends and NIHE assessment of need as a means by which to verify the robustness of the HGI-based housing requirement figure and assess the deliverability of this level of housing. Both sources were helpful in confirming the appropriateness of the recommended level of housing growth.

3.5 Having established the baseline housing requirement figure, the report explained the rationale for application of a flexibility margin to ensure that the housing requirement can be met even if some sites do not come forward at the expected rate. The purpose of this is to protect NMDDC against proposals for development on sites that do not accord with the Plan Strategy and will ensure its vision for growth can be achieved. It will therefore ensure that the Plan Strategy can be effective in its ability to respond to changing circumstances and thereby accord with the requirements of Test of Soundness CE4.

3.6 The application of a 10% margin is considered to represent a reasonable adjustment, having regard to the adjustments that have been applied elsewhere in the UK (recognising the differences that exist in the planning system and policy approach). It balances the importance of ensuring a sufficiently flexible approach, whilst also recognising the potential concerns arising from the application of an unnecessarily high margin.

3.7 The report finally considered whether there might be a requirement for NMDDC to accommodate any unmet housing need from adjoining local government districts. It concluded that this would not be necessary.

[1] Published in September 2019

[2] The Department for Infrastructure has confirmed that the HGIs relate to the period from 1 January 2016 to 31 December 2030 – a full 15 years.

3.8 We consider this to provide a robust basis by which the housing requirement for NMD might be established in a way that will provide for the needs of existing and future population of the area with sufficient flexibility to respond to changing circumstances. A review of the housing requirement against past delivery rates indicates that the proposed level of housing growth would be deliverable in the context of the local market whilst there is also alignment between the HGI and NIHE assessments of growth.

Alignment of housing and employment growth

3.9 Our report of March 2025 emphasised the importance of ensuring alignment between housing and employment growth over the LDP period. The rationale for this is to ensure that a shortage of future housing delivery does not act as a constraint to economic growth.

3.10 Our assessment of alignment has regard to:

1 The range of 7,740 to 9,440 jobs identified in the Ulster University study that we referenced in paragraph 3.7 of our April 2025 employment report, albeit that did relate to the slightly shorter period from 2022 to 2035; and,

2 The expected number of jobs that would be supported by those living in the proposed new homes in NMDDC. In so doing, we have considered both the requirement for 11,000 new homes (including flexibility margin) and the expected delivery of 11,721 (excluding Phase 2 sites) homes over the LDP period.

3.11 The assessment of the number of jobs that would be supported by the level of housing growth for which the PS makes provision is based on the following analysis:

1 The **net additional population** that will live in the new homes that are to be delivered over the LDP period. The relationship between population and household growth is complex and application of an average household size figure therefore fails to reflect the dynamics of change within an existing population and the fact that many of the new homes will accommodate people that already live in the local area, as a result of new household formation. It is therefore important to consider the actual increase in population that will take place as a result of the delivery of new housing in NMD (the net additional population). This can be calculated through analysis of the projected change in the number of households and the household population between 2020 and 2035:

   a The 2016-based household projections for NMD indicate that the number of households will increase by 7,817 between 2020 and 2035 whilst the household population[3] will increase by 12,580. This equates to net additional average household size of 1.61

   b Application of this net additional average household size figure to the housing requirement of 11,000; this gives rise to an additional population of 17,710;

   c Application of the net additional average household size figure to the projected supply of 11,721 gives rise to a net additional population of 18,871.

2 Apportionment of the total population by age and gender cohort, based on the application of data relating to the **demographic profile** of NMD, as follows:

[3] i.e. the population that will live within households; this differs to the total population as it includes those living in institutions.

Table 3.1 Demographic profile of NMD by age and gender

Gender	Age cohort		
	0-15	16-64	65+
Male	10.1%	29.6%	9.6%
Female	9.7%	30.1%	10.9%

Source: 2022-based Northern Ireland population projections. Figures set out as average between 2022 to 2035

3 Application to **economic activity and (un)employment rates** to each cohort (based on the 2024 Labour Force Survey) to determine the number of additional people that would be expected to be in employment:

   a Based on the housing requirement of 11,000, this gives rise to a figure of c.8,750 additional people in employment.

   b The housing supply of 11,721 results in an additional c.9,330 people in employment.

Table 3.2 Economic activity and unemployment by gender and age cohort

Gender	Economic activity		Unemployment	
	16-64	65+	16-64	65+
Male	87.3%	20.0%	3.3%	0.0%
Female	73.8%	7.1%	2.1%	0.0%

Source: 2024 Labour Force Survey

3.12 As set out above, these figures can be compared to the employment projections identified in the Ulster University study that we referenced in paragraph 3.7 of our April 2025 employment report (i.e. 7,440 to 9,440 between 2022 to 2035). Pro-rating these figures to cover the 15-year LDP period indicates a total of between 8,585 and 10,892 jobs. The implication of this is that there is a broad level of alignment between the expected level of housing growth and the employment target for NMD.

3.13 It is recognised that not all workers that live in NMD will be employed within the authority area and, conversely, not all jobs in NMD will be filled by people that reside locally. Based on the 2011 census, our April 2025 Review of Employment Strategy report referenced a net out-commuting rate of 11.5%. The more recent 2021 census reports a net out-commuting rate of 12.5%, although it is important to note that these figures may have been affected by the COVID lockdown restrictions that were active at the time. However, the 2011 figures may now be too old to be reliable, and will not take account of the structural shifts in working patterns that have taken place since the pandemic.

3.14 Application of the 12.5% net out-commuting rate to the housing requirement and supply figures would indicate that between c.7,700 and c.8,200 additional jobs could be supported by the new homes that are expected to be delivered over the LDP period. Inclusion of the Phase 2 sites would increase this to c.8,900 additional jobs.

3.15 In assessing these figures, it is important to note that application of the demographic profile of NMD to the new homes may under-estimate the number of economically active people in the district and the number of workers that might be supported by the expected housing growth. The English Housing Survey reports that people between the ages of 16 and 44 are

much more active in the housing market. There is no evidence to suggest that the position would be any different in Northern Ireland. The implication of this is that a higher proportion of future residents of the new homes would be of core working age and so the number of jobs that might be supported could be materially higher than stated above. For example, assuming that the number of people of core working age would be 10% higher than stated above and that there would be a commensurate reduction in the number of people over the age of 65, the housing requirement and supply figures would indicate that between c.8,300 and c.8,800 additional jobs could be supported by the new homes that are expected to be delivered over the LDP period. Inclusion of the Phase 2 sites would increase this to c.9,600 additional jobs.

3.16 The creation of additional jobs in NMD might have a positive effect in terms of boosting economic activity, reducing unemployment and increasing self-containment. The impact of all of these would serve to further increase the number of jobs that would be supported by the proposed housing growth.

3.17 Drawing on this analysis, we consider there to be a good level of alignment between the proposed housing and employment strategies that are contained within the NMD PS.

4.0 Housing Supply

4.1 Having established the level of housing need for the NMD Plan Strategy, it is necessary to consider how this will be delivered. This Section provides an update of the components of housing supply that is set out in the draft Plan Strategy and responds to the principal issues raised through consultation in relation to the deliverability and distribution of supply.

4.2 The revised analysis reflects the passage of time since publication of the draft Plan Strategy, updated monitoring information to a revised 2025 base date, further consideration of the deliverability of strategic sites, and the need to ensure consistency between the supporting evidence base and the figures presented within the Plan Strategy. It also takes account of representations received in respect of settlement-level housing provision and infrastructure constraints.

Components of supply

4.3 In order to ensure the identified housing requirement can be met, the draft Plan Strategy identifies the potential housing delivery from a range of sources including:

1 Completions between the start of the Plan period and the revised base date of April 2025;

2 Committed housing sites (extant planning permission and sites which were under development at the base date);

3 Uncommitted zoned sites (divided between "Phase 1" and "Phase 2" sites);

4 Urban capacity sites; and,

5 Windfall development.

4.4 The revised supply position indicates an expected delivery of 11,721 dwellings excluding Phase 2 zoned sites and 12,757 dwellings including Phase 2 zoned sites. These figures include the application of a 10% non-implementation allowance. The analysis therefore demonstrates that the Plan Strategy is capable of delivering the identified housing requirement with an appropriate degree of flexibility.

Completions

4.5 Given that the Plan period commenced in 2020, it is important to adjust this figure to take account of completions to date. Updated monitoring information for the period between 2020 and 2025 demonstrates continued housing delivery across the District, with 2,805 dwellings completed during this period, equivalent to an annual average of approximately 561 dwellings per annum (dpa).

4.6 A comparison with the data set out in our March 2025 report – which applied a base date of 2023 – indicates that 1,076 dwellings were completed in the 2023/24 and 2024/25; this equates to an average of 538dpa. The annualised level of completions since the start of the Plan period has therefore fallen slightly from 576dpa (2020 to 2023) to 561dpa (2020 to 2025)

4.7 The updated figures show that 2,064 dwellings (73.6%) were completed within settlements and a further 741 dwellings within the countryside (26.4%). This compared to a distribution

of 77.4% completions between 2020 and 2023 being in settlements and 22.6% in the countryside.

4.8 30.9% of all completions between 2020 and 2025 were in Newry and Downpatrick – a reduction from 33.8% between 2020 and 2023, while a further 17.3% were in the identified towns – broadly similar to 17.5% between 2020 and 2023.

4.9 This evidence indicates that there was a disproportionately high level of completions in the countryside in 2023/24 and 2024/25 (32.6% of total completions) and a lower level of completions in settlements (67.4% of total completions). The proportion of completions in Newry and Downpatrick fell to just 26.2% in this two-year period.

Table 4.1 Completions in NMD between April 2020 and March 2025

Settlement tier	Completions (excluding replacement dwellings), 2020-2025	% of settlement completions	% of all completions
City/Main Towns	867	42.0%	30.9%
Towns	486	23.5%	17.3%
Villages	434	21.0%	15.5%
Small settlements	277	13.4%	9.9%
Settlement total	*2064*	*100%*	*73.6%*
Countryside	741	-	26.4%
Total	**2,805 561dpa**	-	100%

Source: Lichfields analysis

Commitments

4.10 The updated monitoring position identifies 2,125 dwellings under construction in settlements as of April 2025. This represents an increase of 16% when compared to the position as of April 2023. Of this total:

1 32.6% were in Newry and Downpatrick, a figure that was comparable to the 32.9% in 2023;

2 30.5% were in the main towns, a notable increase on the 24.9% in 2023;

3 24.3% were in villages, a figure that was comparable to the to 24.7% in 2023; and,

4 12.6% were in small settlements, a figure that was considerably lower than that of 17.5% in 2023.

4.11 As of April 2025, there were 1,288 dwellings on sites in settlements with extant permission but not yet started. This represents a reduction of 31% compared to the position as of April 2023. It is noteworthy that that 54% of the dwellings with planning permission that have not yet commenced construction are in Newry and Downpatrick – a figure that suggests that the recent reduction in the proportion of completions in these settlements may be reversed.

4.12 This reduction is, to some extent, a function of the passage of time and the fact that some of the sites that benefitted from planning permission in April 2023 have now progressed into

the construction phase or have been completed. However, it does point to a reduction in the number of new sites that have been grated planning permission which will have inevitable implications on the future delivery of housing in the district. This trend is to be expected at this stage of the LDP cycle and should be addressed following adoption of the PS and the LPP.

Table 4.2 Number of dwellings under construction and with permission but not started as of April 2025

Settlement tier	Under Construction	Not started
City/Main Towns	692	697
Towns	649	299
Villages	516	213
Small settlements	268	79
Settlement total	*2125*	*1288*
Countryside	N/A	N/A
Total	**2,125**	**1,288**

Source: Lichfields analysis

4.13 In considering committed sites, it should be noted that the supply figures for dwellings in the countryside are not provided by individual source of supply. It is, therefore, not possible to provide separate figures in respect of the number of commitments in the open countryside.

4.14 Collectively, completions and commitments amount to approximately 6,218 dwellings, equating to around 62% of the baseline housing requirement, or 56% of the requirement including the flexibility margin. This represents an 11.75% increase compared with the previous monitoring period. The increase reflects the updated monitoring period, with the base date revised from 2023 to 2025. This updated position is important in ensuring that the PS is informed by the most current evidence available.

4.15 The fact that such a high proportion of the housing requirement has already been completed or is committed highlights the challenge that NMDDC faces in respect of its emerging LDP. It reduces the need for additional allocations to meet the identified housing need and thereby affects the extent to which NMDDC can direct residential development in accordance with its identified settlement strategy.

Zoned sites: Phase 1 and Phase 2

4.16 The category of Zoned sites comprises known sites that have been identified for future development but which do not yet have planning permission. It is anticipated that these will contribute to the future housing supply across the NMD area. The scale – and housing capacity – of the zoned sites varies and the timescales for delivery of the zoned sites is likely to vary. NMDDC recognises that the delivery of large-scale developments may extend beyond the emerging LDP period; this might be because of their size, associated infrastructure requirements, market conditions, or landownership considerations – all of which may impact on the timescales for work to start on a particular site and the rate of housing delivery. For these reasons, it will be important to keep anticipated rates of delivery and infrastructure requirements therefore under review and for these to be reflected at the LPP stage.

4.17 For this reason, NMDDC has identified "Phase 1" and "Phased 2" zoned sites:

1 Phase 1 sites focus on immediate and medium-term availability and are expected to come forward within the emerging LDP period.

2 Phase 2 sites are identified for longer-term delivery in the form of components of larger sites that may not come forward within the LDP period or reserve sites that are intended to ensure a longer-term supply. In some cases, infrastructure requirements may delay the delivery of such sites. These sites are generally expected to come forward after Phase 1 sites are development and therefore act as:

   a **Strategic Reserve**: identified to meet future housing demand, often serving as a contingency if Phase 1 sites fail to deliver on time; and/or,

   b **Phased Release**: While Phase 1 focuses on immediate and medium term availability, Phase 2 lands are earmarked for subsequent development, aiding in controlled urban expansion.

4.18 Whilst Phase 2 sites might deliver new homes within the emerging LDP period, the contribution of such sites to the identified housing requirement is less certain than for Phase 1 sites. For this reason, we have considered the total housing supply over the LDP period in respect of two scenarios – with and without the Phase 2 sites.

4.19 In the event that circumstances change and some of the Phase 2 sites do come forward within the emerging LDP period (i.e. by 2035), this should be encouraged on the basis that the identified housing requirement should not be viewed as a maximum level of housing need.

4.20 Following review, NMDDC identify a total future supply of:

1 3,156 dwellings on Phase 1 zoned housing sites;

2 1,036 dwellings on Phase 2 zoned housing sites; and.

3 277 dwellings on zoned mixed-use sites.

4.21 All of these sources of supply are located in settlements.

4.22 Compared to the figures set out in Figure 4.17 of our March 2025 report, there has been a 5.5% reduction in the supply from Phase 1 zoned sites, a 37.4% increase in the supply from Phase 2 zoned sites, and an 8.2% increase in the supply from zoned mixed-use sites. Overall, the supply from zoned sites has increased by 3%.

4.23 We set out below a review of the key changes that have been made in respect of zoned sites since completion of our March 2025 report. In a number of cases – such as Newry[4] and Warrenpoint[5], the reduction in the number of zoned dwellings reflects the fact that some sites have already been developed (in full or in part) and/or may now benefit from planning permission.

[4] Phase 1 zoned sites reduced by 69 (10.2%).
[5] Phase 1 zoned sites reduced by 52 (14.6%).

Zoned sites: Phase 1

4.24 A detailed review of larger and strategic sites has been undertaken in order to consider likely delivery within the Plan period.

Downpatrick

4.25 The Phase 1 allocation in Downpatrick includes a residential-led mixed use development comprising 943 dwellings, local neighbourhood facilities, a school site (subject to need) and a new distributor road linking the site from Saul Road to Ballyhornan Road (DK07).

4.26 Based on an assumed delivery rate of 90dpa, our previous report anticipated an 11-year construction period for this development. The report stated at paragraph 4.16 that:

"Given the planning status of the site, it is likely that this site would not be completed in full by 2035 and so we would recommend further consideration of the expected level of delivery that should be included in the Housing Allocation."

4.27 The level of delivery that is expected from this site should be revised to reflect the shorter remaining delivery window to the end of the Plan period. This is particularly relevant given that the site does not yet benefit from planning permission.

4.28 Having regard to the current planning status of the site and the realistic construction timeframe available before 2035, it is considered that a maximum of seven years of delivery is feasible within the emerging LDP period. Applying an assumed delivery rate of 90dpa gives an indicative capacity of approximately 630 dwellings. In order to ensure consistency with the wider methodology, a further 10% non-implementation allowance has been applied, resulting in an expected delivery figure of 567 dwellings from the site during the Plan period.

4.29 The remainder of this site (313 dwellings (gross), which equates to 282 net dwellings following application of the non-implementation allowance) is included within the category of Phase 2 zoned sites.

4.30 It should be noted that, although some of the DK07 supply is counted as Phase 2 for monitoring purposes, there is no restriction on any part of this site coming forward for development in the current Plan period subject to extant Plan requirements. This approach provides a more realistic indication of what could be delivered within the Plan period and avoids over-reliance on a site where delivery is anticipated to extend beyond 2035.

4.31 Other Phase 1 sites are identified in Downpatrick and are expected to deliver an additional 304 homes (net) over the LDP period. These are summarised below:

Table 4.3 Additional Phase 1 sites in Downpatrick

Site	Total dwellings	Applied (net) dwellings following application of non-implementation allowance
DK02: The Meadows, Strangford Road	130	117
DK08: North of Ardenlee Gardens and Saul Road	120	108
DK09: Racecourse Hill	38	34

Site	Total dwellings	Applied (net) dwellings following application of non-implementation allowance
DK10: South of Killough Road	50	45
Total	**338**	**304**

Source: NMDDC / Lichfields

4.32 Added to the 567 dwellings that are expected to come forward on the strategic site DK07, the implication of this is that, allowing for the non-implementation allowance, Phase 1 zoned sites in Downpatrick are expected to deliver 871 dwellings in the remainder of the Plan period.

Newcastle, Saintfield and Castlewellan

4.33 Representations received during consultation indicated concerns that insufficient provision had been made for growth, particularly in Newcastle, Saintfield and Castlewellan. Table 4.17 of our March 2025 report indicates that the net housing delivery from Phase 1 zoned sites in these settlements were as follows:

1 Newcastle: 86;

2 Saintfield: 29; and,

3 Castlewellan: 9.

4.34 In response, a review was undertaken using a stock-based assessment that compared anticipated housing growth against existing household numbers. This proportionate approach considered the number of households within each settlement, used as a proxy for dwelling stock, together with the proposed increase in dwellings as a proportion of existing households. Having regard to the proportionate growth in other towns, this analysis indicated that additional provision could potentially be justified within these settlements.

4.35 Based on this analysis, the following uplift in housing delivery (over and above the Phase 1 zonings set out in the Draft Plan Strategy) was considered to be justifiable in order to ensure that these three settlements could make a proportionate contribution to the future housing supply:

1 Newcastle: 104;

2 Saintfield: 12; and,

3 Castlewellan: 8.

4.36 This level of growth was considered in the context of the constrained nature of each settlement. Evidence provided by Northern Ireland Water has indicated that the capacity of the wastewater treatment works is limited in each of these locations; Newcastle is shown to have capacity for 15% growth while Saintfield and Castlewellan are both shown to have capacity for 5% growth. Newcastle is subject to a number of physical constraints as a result of its coastal location and proximity to the Mourne Area of Outstanding Natural Beauty.

4.37 The review also found that the proposed level of provision in Newcastle was comparatively low relative to the existing dwelling stock and that the settlement was reliant on a single undeveloped housing zoning. In order to ensure sufficient flexibility in future housing

delivery, housing supply has been increased by 104 dwellings, resulting in a gross total zoned capacity of 200 dwellings. The net delivery figure would equate to 180 dwellings.

4.38 It is accepted that the level of growth identified in the draft Plan Strategy for Saintfield and Castlewellan is also limited. This is particularly so when one considers the residual supply that had not been completed or were not under construction in March 2025 (Saintfield: 37 and Castlewellan: 16). However, the potential to apply any increase in the number of homes on zoned sites should be viewed in the context of the existing scale of each settlement and the wastewater infrastructure constraints detailed above.

4.39 Having regard to the fact that the wastewater constraints would restrict growth of Saintfield and Castlewellan to just 5%, it is clear that the potential for the expansion of these settlements is limited. The additional increase of 12 dwellings in Saintfield and 8 in Castlewellan identified above by way of potential uplift to the Phase 1 zoned sites is likely to be below the threshold at which a site might be zoned. This level of increase is also unlikely to address the objections that have been made on the basis of insufficient housing provision being identified in these settlements.

4.40 In the light of this, it is not recommended that any adjustment should be made to the expected capacity of identified zoned sites for Saintfield or Castlewellan. However, NMDDC considers that both settlements continue to perform an important role within the settlement hierarchy due to their range of retail, service and community functions. Both are therefore considered worthy of enhancement to town status, reflecting their HEF scores and the extent to which they serve a wider hinterland. The longer-term growth potential of both settlements should be reviewed again at LPP stage, and the capacity for additional growth should again be reconsidered should wastewater treatment infrastructure capacity improve. In the interim, additional potential might come forward in these settlements by way of windfall sites over and above the trend-based assumption that has informed the assessment of supply in the Plan Strategy.

Zoned sites: Phase 2

4.41 A number of representations to the draft Plan Strategy questioned the deliverability of housing land and sought clarification on the LDP approach to phasing. In summary:

1 Lands identified as Phase 2 within the extant Ards and Down Area Plan 2015 (ADAP) have been carried forward in the draft Plan Strategy and the draft Plan Strategy also reclassifies two sites in Ballynahinch from Phase 1 to Phase 2.

2 The draft Plan Strategy identifies the potential for additional housing supply from Phase 2 sites in Downpatrick and Ballynahinch. These are identified as sites which have longer-term development potential but are subject to deliverability constraints. Reasons for the identification of sites as Phase 2 (rather than Phase 1) include:

   a The expectation that, based on an assessment of the current planning status of a development and the need for infrastructure requirements in advance of delivery of housing, a site would not be completed in full within the emerging LDP period (i.e. by 2035) and may therefore contribute to the longer-term housing supply.

   b A concern that the number of zoned sites in Ballynahinch might result in a level of delivery that is inconsistent with the settlement hierarchy and that some of the future supply should be anticipated over a longer time period. Delivery of the

development of 427 dwellings at Ballynahinch will benefit from construction of the DFI-funded bypass scheme which is currently paused and is subject to the preparation of a new Transportation Strategy for Northern Ireland (TSNI). Following completion of the TSNI, DFI will review all work undertaken to date on the draft Regional Strategic Transport Network Transport Plan (RSTNTP). A decision to proceed to procurement in respect of the Ballynahinch Bypass will then be considered.

4.42 The issue in relation to the strategic Phase 2 sites is principally one of timing rather than fundamental deliverability or suitability for development. However, given the uncertainty surrounding whether these sites will come forward fully within the remaining Plan period, the achievement of the identified housing target is not contingent on these sites which may come forward during this Plan period but not expected to come forward in full or relied upon

4.43 The Phase 2 sites therefore remain identified within the supply tables for transparency and completeness, but the assessment of likely housing delivery is based on the supply position excluding these sites. This approach ensures consistency with the previous housing strategy review whilst avoiding an over-reliance on sites whose delivery may extend beyond 2035.

4.44 Taking account of the 10% non-implementation allowance, the number of homes expected to come forward on Phase 2 zoned sites by settlements is set out below.

Downpatrick

4.45 Within Downpatrick three sites are zoned as Phase 2 lands in the extant Ards and Down Area Plan 2015 (ADAP). ADAP Volume 3 Page 21 states:

"*No housing land in Phase 2 will be released until the transportation infrastructure associated with Phase 1 housing has been completed*."

4.46 The following three sites are carried forward as Phase 2 sites and will be held in reserve pending both completion of the relevant road infrastructure and evidence of a need for additional supply through the five-year supply assessment. It is acknowledged that the potential supply from DK13 has been reduced due to the construction of the Down Hospital and associated road infrastructure.

Table 4.4 Phase 2 sites in Downpatrick (excluding DK07)

Site	Total dwellings	Applied (net) dwellings following application of non-implementation allowance
DK11: Flying Horse Road	64	58
DK12: Between Ballyhornan Road and Struell Wells Road	261	235
DK13: South East of Struell Wells Road	86	77
Total	**411**	**370**

Source: NMDDC / Lichfields

4.47 In addition, and as set out in paragraph 4.27, the remainder of this strategic site DK07 (313 dwellings (gross), which equates to 282 net dwellings following application of the non-implementation allowance) is included within the category of Phase 2 zoned sites.

4.48 The implication of this is that, allowing for the non-implementation allowance, 652 dwellings are expected to come forward on Phase 2 sites in Downpatrick.

Ballynahinch

4.49 Given the level of uncommitted zoned housing sites within Ballynahinch, NMDDC has sought to manage this supply through the introduction of a phased release of this land. Following a review of all the uncommitted zoned lands with Ballynahinch two sites (BH12 and 14) were identified for potential release as Phase 2 sites. These sites will therefore be held in reserve and only released for residential development where it is demonstrated that any of the following circumstances apply:

1 There is a localised housing need which has been identified by the NIHE which cannot be met through existing Phase 1 sites; or,

2 Where there are insufficient Phase 1 sites remaining to provide a five-year housing land supply.

4.50 As set out in Table 4.17 of our March 2025 report, 384 dwellings are expected to come forward on the following Phase 2 site in Ballynahinch. This position is summarised below:

Table 4.5 Phase 2 sites in Ballynahinch

Site	Total dwellings	Applied (net) dwellings following application of non-implementation allowance
BH12: South of Crossgar Road and West of Proposed Ballynahinch Bypass	137	123
BH14: Land South of Moss Road and East of Proposed Ballynahinch Bypass	290	261
Total	**427**	**384**

Source: NMDDC / Lichfields

Urban Capacity Study sites

4.51 The number of dwellings identified as likely to come forward from sites identified in the Urban Capacity Study (353) is 42% lower than set out in Table 4.17 of our March 2025 report. The reason for this is that a large number of urban capacity sites will have already been subject to construction activity or will benefit from planning permission. As such, they will now be categorised by reference to other sources of supply.

4.52 In the light of this, the Urban Capacity Study has been reviewed to ensure that there is no double-counting between urban capacity sites and updated completions or commitments. The outcome of this review is detailed in Table 4.3 which indicates that the capacity associated with 17 sites is now lower than previously anticipated. This has resulted in a reduction of 293 dwellings (gross) from this source of supply[6].

[6] This equates to a net reduction of 260 units

4.53 Following review, the net remaining yield from Urban Capacity Study sites is 392 dwellings. Applying the 10% non-implementation allowance results in an expected delivery of approximately 353 dwellings from this source.

4.54 In considering this source of supply, it is important to note that the Urban Capacity Study applied a modest average density (25dph) and that all of the identified sites are relatively small, with the largest expected to deliver 73 homes. It is entirely reasonable to anticipate that this level of delivery could be achieved in the remainder of the Plan period. In addition, the application of the non-implementation allowance will ensure that the indicated yield from the Urban Capacity Study sites is reasonable and deliverable.

Table 4.6 Updated urban Capacity Type 1 Sites

	Site Ref	Size (ha)	Location	Previously Estimated Yield @ 25 dph	Review of site / commentary	Updated Yield @25 dph	Change
Ballynahinch	1	1.84	Undeveloped land between Ballynahinch Road and Magheraknock Road	37	No change	37	0
	10	0.59	Land immediately south of Windmill Hill, open space	6	No change	6	0
	12	0.47	Lands at and north of 62 Church Road	5	No change	5	0
	13	0.51	Lands west of 87a Belfast Road	12	No change	12	0
	14	0.1	Lands north of 12 Church Square	8	No change	8	0
Newry	2	1.3	Armagh Road	20	No change	20	0
	4	1.73	Lisdrum Ave, Armagh Rd	37	Committed site - HM 24722	0	-37
	8	0.16	Car wash north of Millview Terrace	21	Developed housing site	0	-21
	34	1.7	Land north of Millview Terrace	26	No change	26	0
	38	0.2	Railway Ave	43	Committed site - HM 23732	0	-43
	39	0.54	Land to the rear of Edward Street	38	No change	38	0
	41	1	North Street	50	Council application for car park - linked to new Council Civic Centre	0	-50
	66	0.45	South of 97 Dublin Road	12	Committed site - HM 24797	0	-12
	68	0.68	North of 126 Dublin Road	14	Zoned NY38 - uncommitted	0	-14
Downpatrick	5	1.07	45 Saul Road, former industrial use	6	Committed site - HM14350	0	-6
	6	0.3	45a Saul Road	8	No change	8	0
	7	0.3	Lands at 65 Saul Road	8	No change	8	0
	12	4.5	Lands adjacent to Malone Heights	73	No change	73	0
	15	0.7	Grassland between Meadowlands and Rathkeltair Terrace	17	Constrained site - unlikely to come forward	0	-17
	16	0.3	7 Saul Road, Downpatrick	9	No change	9	0
	25	1.26	Land opposite Demesne Crescent	26	No change	26	0
	32	0.16	Land adjacent to Ballynoe close	5	Committed site - HM14303	0	-5
	35	0.31	Rear of Bishops Brae and Bishops Brae Court	6	No change	6	0

	Site Ref	Size (ha)	Location	Previously Estimated Yield @ 25 dph	Review of site / commentary	Updated Yield @25 dph	Change
	46	0.61	Land at John Street/Ardglass Road	10	Site developed	0	-10
Newcastle	9	0.26	Grassland/gorse and open storage south of 1 Bernagh Green	7	No change	7	0
	10	0.84	Site of former dwelling, 8 Tollymore Road	20	Committed site - HM 14361	0	-20
	14	0.38	East of 11 & 13 Mountain Springs	5	No change	5	0
	17	0.22	28 Bryansford Road	14	No change	14	0
	20	0.2	Rear of 45 South Promenade	5	No change	5	0
	26	0.55	127 King Street	12	Capacity reduced, constrained sloping site	5	-7
Warren point	2	0.27	Between 56 and 62 Burren Road	6	No change	6	0
	3	0.32	South East of 63 Burren Road	8	No change	8	0
	5	0.12	22-26 Charlotte Street	5	No change	5	0
Kilkeel	5	0.29	Lands between 48 and 52 Newry Street	7	Site developed	0	-7
	11	2.96	Lands between Church Vale and Mill Road	40	No change	40	0
	13	0.23	Lands at Riverdale Drive	6	Potential reduced to 4, now windfall	0	-6
	17	0.11	9-11 Newcastle Street	6	Site developed	0	-6
	19	0.2	3 Greencastle Road	5	No change	5	0
	20	0.4	North of 39 Greencastle Road	10	No change	10	0
	23	0.45	Lands East of 3 Rooney Road	11	Committed site - HM 24693	0	-11
	24	0.85	South of 37 Rooney Road	21	Removed due to proximity WwTW	0	-21
	Total Potential from Type 1			**685**		**392**	**-293**

Source: TS2 Table 7.1, 7.2, 7.3, 7.4, 7.5 and 7.6

Windfalls

4.55 The windfall allowance has also been reviewed to reflect the revised monitoring base date and the passage of time since the preparation of the previous report. The previous allowance applied an annualised windfall allowance (based on past trend figure of 49.6dpa) to the 12-years between 2023 and 2035. Given that the base date has been rolled forward to 2025, it is appropriate to apply the past trend allowance to a ten-year period from 2025 to 2035. This adjustment would provide a more realistic estimate of future delivery over the remainder of the Plan period. This revised approach ensures that the windfall allowance reflects actual delivery trends and provides a realistic estimate of future supply from this source.

4.56 The updated assessment indicates that urban windfall sites are expected to deliver approximately 496 dwellings between 2025 and 2035. This compares to the figure of 595 dwellings identified in Table 4.17 of our March 2025 report.

4.57 Rural housing delivery is not identified through individual sources of supply in the same way as for settlements. Instead, the rural windfall allowance captures the combined supply estimate for the countryside.

4.58 Updated past trend figures indicate that rural delivery rates have been stronger than previously assumed. Analysis of completions between 2015/16 and 2024/25 demonstrates an average delivery rate of approximately 122 dwellings per annum. Applying this annual rate over the remaining ten years of the Plan period results in a revised rural windfall allowance of 1,220 dwellings. This represents a reduction from the previous figure of 1,296 dwellings, which had been based on an annual average of 108dpa over a twelve-year period (2023 to 2035).

Table 4.7 Rural windfall completions

Year	Net Completions
2015/16	96
2016/17	97
2017/18	95
2018/19	116
2019/20	129
2020/21	96
2021/22	107
2022/23	131
Average (2015/16 to 2022/23)	**108**
2023/24	177
2024/25	174
Updated Average (2015/16 to 2024/25)	**122**

Source: NMDDC Building Control Data / Lichfields analysis

Non-implementation allowance

4.59 The draft Plan Strategy explains at page 80 that a 10% non-implementation allowance should be applied to housing figures relating to uncommitted zoned sites and urban capacity sites. This draws on the recommendation set out in our March 2025 report.

4.60 It is important to ensure that the approach taken in respect of any assumptions are realistic and take account of expected delivery rates and address the potential likelihood of non-delivery. However, it can be very difficult to anticipate which sites will – and which will not – come forward over the duration of a Plan period. This is particularly so given that the Plan system operates in two stages, such that the supply identified in the Plan Strategy is indicative and subject to review and full detail at LPP stage. If it was possible to know in advance of the LPP whether a particular site would not come forward then the LDP could be amended accordingly[7]. In the absence of such certainty at this time, the application of an allowance represents an important response to the likelihood of non-delivery.

4.61 This approach has been adopted in the Lisburn and Castlereagh LDP and although other Local Government Districts in Northern Ireland are not currently proposing any such allowances for non-implementation, this approach is widely used elsewhere in the UK. More notably, in Wales, the Local Development Plan Manual (2020) specifically endorses the application of a non-delivery allowance and recognises that this is distinct to the flexibility allowance that is applied to the housing requirement contained within the LDP:

"Including the entire land bank in numerical terms in a housing provision can be a high risk strategy. If sites do not come forward as anticipated, or issues arise as part of the examination process, a lack of delivery can result in a potential shortfall of homes. Having a non-delivery allowance in the plan can help avoid this scenario.

"A 'non-delivery allowance' is factored into the land bank; discounting a proportion of the land bank based on local evidence. This may not be appropriate for all LPAs, but relevant for LPAs with a large number of land bank sites, not those with just a few sites, or in areas where the land bank is made up of numerous small sites which take a long time to complete. To be clear, a land bank non-delivery allowance is separate to the flexibility allowance (i.e. 10%) which is applied to the plan as a whole. Understanding the proportion of sites that did not come forward in the past can be a useful tool in this respect. Sites can be discounted individually, or applied as a percentage across the overall land bank. The latter is the simplest approach. Non-delivery allowances have ranged from 20-50% to date, dependent on local circumstances." (Page 118).

4.62 A large proportion of local authorities in England and Wales apply an adjustment for the non-implementation of housing sites, with 10% being a commonly applied figure – albeit that some authorities apply an adjustment of as much as 25%.

4.63 The application of a 10% non-implementation allowance reasonable and logical approach that, when taken with other measures such as the flexibility margin, will be important in ensuring that the housing requirement contained in the NMD LDP can be achieved and that the Plan will be sufficiently flexible to respond to changing circumstances that may occur over time, as required by the Test of Soundness CE4 (coherence and effectiveness test).

4.64 The non-implementation allowance should not, however, be applied to all sources of supply. It is not applicable to sites that have been completed or are currently under

[7] The Plan Strategy provides the broad allocation in accordance with the SPPS, however specific details in relation to supply will be further assessed at LPP stage.

construction and it is also not considered necessary to apply a non-implementation allowance to windfalls which are based on past trends. A summary of the adjustments applied, together with the anticipated level of delivery from each source, is set out below.

Table 4.5 Housing Supply and Expected Delivery

No. dwellings			Non-implementation allowance		Expected delivery
Completions 2020-2025	Settlements	2,064	0%	-	2,064
	Rural areas	741		-	741
Commitments	Under construction	2,125		-	2,125
	Extant permissions	1,431	10%	143	1,288
Zoned sites (uncommitted)	Phase 1	3,507		351	3,156
	Phase 2	1,151		115	1,036
Zoned mixed-use sites (uncommitted)	Phase 1	308		31	277
Urban Capacity Study		392		39	353
Windfalls		497	0%	-	497
Countryside supply		1,220		-	1,220
Total including Phase 2		**13,436**	**10%**	**679**	**12,757**
Total excluding Phase 2		**12,285**	**10%**	**564**	**11,721**

Source: Lichfields analysis

4.65 The non-implementation adjustments have been incorporated into the expected delivery figures by settlement and source and are reflected in Table 4.6 below.

Table 4.6 Expected delivery by settlement and source

	Completions 2020-2025	Under construction	Commitments not started[8]	Zoned sites (uncommitted)		Zoned mixed-use sites	UCS	Windfall	Total (incl. completions)	
				Phase 1	Phase 2				Without phase 2	With phase 2
Newry	593	579	649	609	0	0	76	105	2,611	2,611
Downpatrick	274	113	48	871	652	0	117	45	1,468	2,120
Newcastle	122	90	47	180	0	0	32	33	504	504
Warrenpoint	62	75	122	305	0	0	17	42	623	623
Kilkeel	88	89	48	345	0	20	50	43	682	682
Ballynahinch	135	221	21	151	384	0	61	36	625	1,009
Saintfield	11	16	1	29	0	0	0	3	60	60
Killyleagh	26	27	48	59	0	0	0	8	168	168
Castlewellan	18	13	3	9	0	0	0	3	46	46
Crossmaglen	24	118	11	87	0	0	0	17	257	257
Villages	434	516	213	470	0	257	0	121	2,012	2,012
Small settlements	277	268	79	41	0	0	0	41	706	706
Total	2,064	2,125	1,288	3,156	1,036	277	353	497	9,760	10,796
Countryside	741	1,220							1,961	1,961
Total									**11,721**	**12,757**

Source: Lichfields analysis. Note that some differences might arise due to rounding

[8] Includes non-implementation allowance

Five-year housing land supply

4.66 Although the focus of this report is on the housing requirement and supply position within the draft Plan Strategy, it is helpful to consider how this relates to the requirement for a five-year housing land supply.

4.67 The first step in calculating the five-year supply is determining the annual requirement. The overall housing need over the full Plan period 2020–2035 is 11,000 dwellings, equivalent to an annual requirement of 733.33 dwellings and a five-year need of 3,667 dwellings.

4.68 The calculation incorporates both urban and countryside housing need. Countryside supply is addressed through the countryside housing policies and is therefore included as a component of supply when determining whether a five-year supply exists.

4.69 Analysis undertaken by NMDDC and based on the 2025 housing monitor indicates that supply (excluding Phase 2 lands) would deliver 5,853 units within the five year period from 2025 to 2030. This figure comprises commitments not started, uncommitted Phase 1 zoned sites, windfall supply based on expected delivery trends, and countryside supply anticipated through rural planning policies.

Table 4.8 Components of Supply (2025 based) to inform Five-Year Supply Estimate

Under construction	Commitments not Started	Phase 1 Zoned Sites	Urban Capacity	Windfall	Countryside	**Total**
2,125	1,288	3,156	353	497	610	**8,029**

Source: NMDDC

4.70 The overall remaining supply of 8,029 units is divided by annual need of 733.33 dwellings to establish the number of years supply remaining. With 10 years of the Plan period remaining in 2025, this equates to 10.95 years of housing supply.

4.71 The significant level of supply provides considerable flexibility. Indeed, a five-year supply would be maintained even in the (unlikely) event that none of the Phase 1 sites deliver any new homes by 2030. Under such a scenario, the total supply would equate to 4,873 dwellings; this represents a 6.6 year supply.

Approach to Release of Existing Phase 2

4.72 There is therefore no current need to release Phase 2 housing lands as sufficient Phase 1 sites remain available. However, this assessment indicates that, if current delivery trends continue, there may be a need to make Phase 2 lands available before the end of the Plan period. This position will be kept under review.

4.73 Where it is determined that there is a deficit in the five-year supply, the release of additional housing lands will be in line with the following approach:

1 The release of Phase 2 lands will be prioritised over the identification of additional zoned housing land and will be brought forward to ensure a five-year supply is maintained.

2 Where there are insufficient lands within Phase 2 to ensure a five-year supply, this will trigger a review of the LPP. To identify sites that can be brought forward, the Council

will issue a call for sites. When identifying additional land to address the five-year deficit, land will be assessed and zoned in the following order:

a Brownfield sites within the urban footprint;

b Greenfield sites within the urban fringe;

c Greenfield extension to the settlement limit.

Affordable Housing

4.74 A number of representations to the draft Plan Strategy were received (Ref no. 077, 078 & 079) that raised concerns over the percentages set out in the affordable housing Policy HOU5. They state *"the percentage of affordable housing must be informed by a robust evidence base to ensure it is both necessary and viable."*

4.75 Policy HOU5 of the draft Plan Strategy sets out the affordable housing requirement for a minimum of 20% affordable housing provision on:

a Sites within Newry City and the district's towns, of 0.5ha or comprising of 10 units or more; or,

b Sites within the district's villages and small settlements, of 0.2ha or comprising of 5 residential units or more.

4.76 This policy contributes towards the objective of the RDS 2035 to manage housing growth and *"ensure an adequate and available supply of quality housing to meet the needs of everyone."* The RDS 2035 recognises that the housing needs of the community are varied and notes that this includes the availability of affordable and special needs housing.

4.77 The RDS 2035 states that, in preparing development plans, Planning Authorities should take account of the Housing Needs Assessment/Housing Market Analysis that is prepared by the Northern Ireland Housing Executive (NIHE). Such assessments include an assessment of the need for affordable and intermediate housing.

4.78 The SPPS underlines the importance of the evidence prepared by the NIHE to inform the affordable housing policies contained within emerging development plans.

4.79 The draft Plan Strategy notes that the deliverability of affordable housing will depend on new zonings, urban capacity sites and windfalls. This is because existing commitments are not expected to include any affordable housing provision. Given the extent to which existing commitments are expected to contribute to the total housing need over the LDP period, this places a reliance on the emerging sites to contribute towards the identified affordable housing needs. This is a reasonable approach and consistent with how other LDPs have been developed across Northern Ireland.

4.80 Whilst recognising that the affordable housing target set out in Policy HOU5 will not meet the identified need in full, it is considered to represent a sound basis by which this important component of future housing supply can be delivered. The Council will continue to monitor the delivery of affordable housing and will consider whether additional provision could come forward through the Local Policies Plan, if required.

4.81 Further detail is set out in Appendix 2 to this report.

5.0 Demand and supply balance

5.1 The revised housing supply position demonstrates that the Council is comfortably capable of meeting the identified housing requirement over the Plan period. The identified requirement of 10,000 dwellings, together with the application of a 10% flexibility margin, results in a total requirement for 11,000 dwellings.

5.2 The updated supply position indicates an expected delivery of 11,721[9] and 12,757[10] dwellings over the Plan period, in order to meet the identified requirement for 11,000 homes.

5.3 The level of identified provision reflects the cumulative effects of the following mechanism intended to ensure flexibility and deliverability:

1 The housing requirement itself incorporates a 10% flexibility allowance above the baseline housing need; and,

2 A 10% non-implementation allowance has been applied to relevant sources of supply to reflect the likelihood that some sites will not be delivered in full.

5.4 The supply equates to a surplus of between 721 dwellings (6.6%)[11] and 1,757 dwellings (16.0%)[12]. This level of surplus is considered reasonable in the context of:

1 The extent to which the housing supply is reliant on past completions and commitments – which account for 56.5% of the identified housing requirements and 53.1% of the identified supply[13] – together with legacy zonings and longer-term strategic sites;

2 The resultant limited extent to which the Council is able to control the precise timing and extent of delivery from many sites, and inform the spatial strategy going forward;

3 A reasonable level of over-provision therefore being important to ensure that the housing requirement can be met in full in the event of non-delivery of individual sites, and to support the achievement of the settlement strategy across the District; and,

4 The supply being indicative at this stage and subject to review during preparation of the LPP.

5.5 The identified surplus represents a proportionate response to uncertainty. It helps ensure that the Plan Strategy remains effective, deliverable and capable of responding to changing circumstances over the remainder of the Plan period, in accordance with the Tests of Soundness. This is particularly important given the uncertainties surrounding infrastructure delivery, wastewater capacity constraints and the timing of strategic sites.

[9] Without Phase 2 sites
[10] With Phase 2 sites
[11] Without Phase 2 sites
[12] With Phase 2 sites
[13] Without Phase 2 sites

6.0 Recommended Focused Changes

6.1 Based on the above review of representations, updated monitoring information and the revised assessment of housing supply, we recommend that the following focused changes should be made to the Plan Strategy:

1 **The Plan Strategy should be updated to reflect a revised base date of April 2025**. Updated figures relating to completions, commitments and anticipated housing supply should be set out in the Plan Strategy. The revised figures should be consistently applied throughout the Plan Strategy and supporting evidence base.

2 **Amend Strategic Policy HS1 and the associated housing supply table to clarify the distinction between the identified housing requirement of 11,000 dwellings and the higher level of housing provision identified within the Plan Strategy**. The requirement figure comprises the baseline housing need together with a 10% flexibility allowance. The housing supply figure is higher because this also reflects the application of a non-implementation allowance to relevant sources of supply and the need to maintain flexibility where delivery is heavily dependent on past completions and existing commitments, together with legacy allocations and longer-term strategic sites. This clarification should be included within the Plan Strategy itself, rather than solely within the supporting evidence base in order to provide greater transparency.

3 **Update the supply table to reflect that the figures should be presented net of non-implementation**. It is recommended that the non-implementation allowance is incorporated directly into the table, consistent with Table 4.6 of this report. This adjustment should also be carried through to the supply table included within the Plan Strategy. This approach will ensure that the supply table provides an accurate representation of the likely supply by settlement and source. Consistency between the two tables is important to avoid confusion and to provide a clear transition from the evidence base to the policy position.

4 **Clarify the distinction between Phase 1 and Phase 2 housing sites**. In particular, the supply tables should separately identify Phase 2 provision in Ballynahinch and Downpatrick in order to make clear that these sites are not relied upon to demonstrate delivery of the identified housing requirement during the Plan period. This would provide greater clarity regarding the Council's phased approach to housing land release and the role of longer-term strategic sites. The Plan Strategy should also set out the approach that is to be taken in respect of the future release of Phase 2 sites.

5 **Clarify those matters that will be addressed through the LPP stage** rather than through the Plan Strategy itself. This clarification is important in responding to representations seeking the allocation or release of specific sites, many of which are more appropriately addressed through the LPP process. In particular, it is important to emphasise that the supply set out in the Plan Strategy is indicative and subject to review at LPP stage.

6 **The revised housing supply assumptions for Newcastle and Downpatrick should also be clearly explained** within the Plan Strategy and supporting evidence base:

a In Newcastle, the increase in the number of homes within the Phase 1 zoned sites category reflects the need to provide additional flexibility within a settlement where future supply is heavily reliant upon a single undeveloped zoning. The revised provision is also supported by the settlement's existing household base and wider strategic role within the settlement hierarchy.

b Conversely, the reduction in anticipated delivery at Downpatrick reflects a more realistic assessment of likely delivery rates within the remaining Plan period, having regard to infrastructure requirements, lead-in times and the delivery trajectory associated with the strategic site and distributor road infrastructure, with an adjustment being made in respect of the expected Phase 1 and Phase 2 supply.

7.0 Towards the LPP

7.1 The review of representations and updated housing supply evidence highlights a number of matters that will require further consideration through preparation of the LPP.

7.2 A key priority at LPP stage will be the detailed review of existing housing zonings and commitments in order to assess their ongoing suitability, availability, deliverability and viability. Whilst the Plan Strategy appropriately relies on existing commitments and zonings as part of the overall housing supply, the Council should not assume that all existing allocations will continue to represent the most sustainable or deliverable options for future growth.

7.3 In this regard, the Council should avoid automatically rolling forward existing zonings without further assessment. Instead, each site should be subject to a proportionate review having regard to:

1 Site availability and ownership;

2 Physical and infrastructure constraints;

3 Market attractiveness and viability;

4 Environmental considerations;

5 Alignment with the spatial growth strategy; and,

6 Likely delivery within the remaining plan period.

7.4 Before allocations in previous plans can be rolled forward, they need to be evidenced they can be delivered. This approach would align with wider best practice guidance relating to development plan preparation and ensure that future allocations are realistic and capable of delivery. As noted in the Welsh Government Development Plans Manual (Edition 3):

"Allocations rolled forward from a previous plan will require careful justification for inclusion in a revised plan … There will need to be a substantial change in circumstances to demonstrate sites can be delivered and justify being included again. Clear evidence will be required that such sites can be delivered. The sites should be subject to the same candidate site process requirements as new sites i.e. they must be demonstrated to be sustainable and deliverable".

7.5 The Council should also consider undertaking an additional Call for Sites exercise at LPP stage. This would provide an opportunity to reassess existing zonings and commitments, identify alternative or additional housing sites and ensure that the Local Policies Plan is informed by the most up-to-date evidence available. Information to be provided as part of call for sites process should include:

1 Contact details;

2 Ownership/Interest in land;

3 Availability of land;

4 Site address;

5 Site location plan;

6 Site area including total developable area;

7 Current use;

8 Proposed use including capacity/scale & density;

9 Sustainability/accessibility;

10 Constraints;

11 Viability constraints; and,

12 Expected delivery timings.

7.6 A call for sites submission should be provided in respect of existing zoned sites as well as potential new sites.

7.7 Following receipt of the candidate site submissions, NMDDC should undertake an initial review of the submitted sites to identify those which are considered to have the potential for future development, having regard to their location, sustainability, constraints, development capacity and deliverability. This review – and the subsequent decisions – should be viewed in the context of the overall need for housing and settlement hierarchy.

7.8 Further information should then be sought from site promoters in respect of the matters set out above to enable the Council to make decisions regarding future zonings in a consistent and transparent manner.

Appendices - Council's Evidence Base

Appendix A: Strategic Policy HS1 - Housing Land Allocation

The Plan will support the development of land for housing in accordance with its Housing Land Allocation as set out in Table 7.

The Council has identified a requirement for 11,000 new homes over the LDP period 2020-2035. Further information on the process followed to establish this need is set out in the Technical Supplement 2 – Housing and supporting housing review.

In order to ensure the housing requirement can be met, the Plan Strategy proposes an indicative strategic housing allocation of 11,722-12,758 units allowing for a non-implementation allowance. This takes account of completions, existing commitments and includes an allowance for urban capacity and windfall.

The majority of new strategic growth in the settlements will be delivered through existing housing sites under construction, sites with current planning permission where development has not commenced or zoned housing land with no current planning permission.

Approximately 39% of the total housing supply for the LDP period has already been completed or benefits from planning permission[14]. This has influenced the distribution of housing growth. Table 7 shows that ~~approximately~~ up to 65% of the total expected housing delivery over the LDP period is in the city and local and small towns. This reflects the sustainability of these locations and their ability to accommodate future growth.

The strategic housing allocation set out in Table 7 is an indicative allocation for the district's settlements.

Justification and Amplification

The Council consider that the assessment of the district's housing need is based on a sound assessment of the likely housing need over the Plan period. The distribution as set out in Table 7~~3~~ meets regional policy requirements to manage growth to achieve sustainable patterns of residential development. It will seek to deliver up to ~~approximately 61%~~ 60% of the district's housing within its city and towns over 5,000 population.

Table 7 sets out an allocation, before application of a non-implementation allowance, of between ~~12,025~~ 12,285 and ~~12,863~~ 13,436 over the period 2020-2035. The range reflects the potential for the delivery of Phase 2 zoned sites at Downpatrick and Ballynahinch. A further detailed review will be carried out at the LPP stage.

The ~~2024 Housing R~~review of the Council's evidence base suggested that a non-implementation allowance be applied to the strategic housing allocation ~~(see Technical Supplement 2 - Housing).~~ This has resulted in an adjusted provision of between ~~11,373~~ 11,722 and ~~12,127~~ 12,758 dwellings between 2020 and 2035 (see table 7 ~~14, Technical Supplement 2 - Housing~~).

The Strategic Housing Allocation for Newry and the district's towns will be delivered by protecting zoned housing land in accordance with Policy HS2 and managing the housing supply through the use of phasing as set out in Policy HS3. The same approach cannot however be taken with regard to the district's villages and small settlements as land is generally not zoned within these settlement tiers to allow for flexibility in meeting local development needs.

In bringing forward a Strategic Housing Allocation for the whole district it is acknowledged that there is a degree of uncertainty associated with residential development in the countryside. The operational policies for residential development in the countryside have been designed to provide opportunities for sustainable residential development but it should be noted that is not possible to

[14] ~~2023~~ 2025 Housing Monitor

control the exact number of applications that will come forward over the Plan period, however an average figure based on past approvals has been applied. Whilst rural approval rates can give an indication of what previous rural policy has delivered there is no cap on numbers of applications the Council may receive, these will continue to be driven by local need.

Table 7: HS1 Indicative Strategic Housing Land Allocation 2020-2035

Tier	Settlement	Indicative Housing Allocation		Indicative Allocation After 10% Non- Implementation Allowance Applied	
		Phase 1	Phase 1 & 2	Phase 1	Phase 1 & 2
City/Main Town	Newry	~~2,688~~ 2,759	2,760	2,611	2,611
	Downpatrick	~~1,824~~ 1,583	~~2,235~~ 2,307	1,468	2,120
Total ~~38%~~		**~~4,512~~ 4,342**	**5,066**	**4,079**	**4,731**
Percentage		**35%**	**38%**	**35%**	**37%**
Local and Small Towns	Newcastle	~~468~~ 533	533	504	504
	Warrenpoint/Burren	~~665~~ 672	672	622	622
	Kilkeel	~~720~~ 733	733	682	682
	Ballynahinch	~~676~~ 651	~~1,103~~ 1,078	625	1,009
	Saintfield	~~55~~ 63	63	60	60
	Killyleagh	~~179~~ 180	180	168	168
	Castlewellan	~~44~~ 47	47	46	46
	Crossmaglen	~~263~~ 268	268	257	257
Total ~~27%~~		**3,147**	**3,574**	**2,964**	**3,348**
Percentage		**26%**	**27%**	**26%**	**26%**
Villages	Bessbrook	301	301	272	272
	Rostrevor	~~119~~ 132	132	123	123
	Annalong	~~171~~ 219	219	213	213
	Crossgar	123	123	111	111
	Ardglass	~~348~~ 338	338	335	335
	Dundrum	~~7~~ 8	8	8	8
	Hilltown	~~74~~ 114	114	109	109
	Drumaness	87	87	80	80
	Camlough	~~80~~ 85	85	79	79
	Mayobridge	~~39~~ 42	42	40	40
	Killough	~~75~~ 59	59	58	58
	Newtownhamilton	~~65~~ 75	75	68	68
	Meigh	~~11~~ 12	12	12	12
	Annsborough	~~41~~ 82	82	81	81
	Ballyholland	~~46~~ 51	51	46	46
	Mullaghbane	12	12	11	11
	Ballymartin	9	9	9	9
	Forkhill	~~57~~ 59	59	54	54
	Strangford	~~60~~ 56	56	56	56
	Jonesborough	53	53	51	51
	Ballykinler	25	25	25	25
	Cullyhanna	~~40~~ 34	34	32	32
	Clough	~~15~~ 19	19	19	19
Windfall[15]		121	121	121	121
Total ~~16%~~		**2,116**	**2,116**	**2,013**	**2,013**
Percentage		**17%**	**16%**	**17%**	**16%**

[15] ~~174~~ 121 windfall units added to village tier based on historic trends

Small Settlements		678	678	665	665
Windfall[16]		41	41	41	41
Total ~~6%~~		~~725~~ 719	719	705	705
Percentage		6%	5%	6%	6%
Total (all settlements)		~~10,339~~ 10,324	11,475	9,761	10,797
Percentage		84%	85%	83%	85%
Countryside ~~13%~~		~~1,686~~ 1,961	1,961	1,961	1,961
Percentage		16%	15%	17%	15%
Total		~~12,025~~ 12,285	13,436	11,722	12,758

[16] 41 windfall units added to small settlement tier based on historic trends

Appendix B: Affordable Housing – Percentage Led Approach

The District's affordable housing need is set out in the NIHE Housing Investment Plan and NIHE Housing Market Analysis. These documents are summarised in dPS Technical Supplement 2 – Housing Chapter 6 pages 45-53 with the full documents included as appendices to the Technical Supplement.

The following paper provides background to the development of the Council's affordable housing in settlements policy (HOU5 – Affordable Housing).

Preferred Options Paper (POP) - Key Issue 6: Social Housing Needs

Within the LDP POP under Key Issue 6 the Council's preferred option for addressing the district's social housing need was to apply a 20% affordable housing requirement on developments of 50 units or more (1 hectare or more) or 25 units in areas experiencing high need and 10 units or more in rural areas. These thresholds were based on recommendations from the Northern Ireland Housing Executive.

Preferred Options Paper – Public Consultation

As highlighted within the dPS Technical Supplement 2 – Housing, feedback from the NIHE during the public consultation on the LDP Preferred Options Paper suggested that a threshold lower than 50 should be considered to assist the delivery of mixed use tenure developments and ensure that windfall development would contribute to meeting affordable housing need. An extract from POP Public Consultation Report in respect of Key Issue 6 is provided at the end of this Appendix which provides an overview of comments received on this issue.

Review of Thresholds for Affordable Housing

Following the review of POP responses the Council undertook additional research looking at the level of affordable housing that might have been delivered from current zoned housing land (both committed and uncommitted) and the potential from land still to be developed (uncommitted zoned and unzoned land) based on a range of thresholds.

The research was initially based on a review of both zoned (committed and uncommitted) together with sites still to be developed (zoned and unzoned) within the Council's 2020 annual Housing Monitor. It was considered that the review of uncommitted zoned and unzoned sites would give an indication of the level of affordable housing that could potentially be delivered over the remaining Plan period based on a range of thresholds. Subsequently an update to this 2020 figures for the uncommitted zoned and unzoned sites was undertaken using the 2023 Housing Monitor.

In the development of the Council's affordable housing policy a range of different percentage approaches were considered. For the district's city and towns three affordable housing percentages were considered (15%, 20% and 25%) based on a minimum of 10 units and a site area of 0.1ha, 0.5ha or 0.7ha. For the villages and small settlements a lower threshold range of 10%, 15% and 20% was applied based on a minimum of 10 units and a site area of 0.1ha, 0.2ha or 0.5ha. An additional threshold of 20% on a site capable of delivering 5 units on a site area of 0.2 ha was also applied to the village and small settlement tiers (See tables 1-6 below).

Table 1 City & Towns – 2020 Committed Zoned & Uncommitted Zoned

Settlement Tier	Threshold 10 units on 0.2 ha			Threshold 10 units on 0.5 ha			Threshold 10 units on 0.7 ha		
	15%	20%	25%	15%	20%	25%	15%	20%	25%
City & Main Town	430	581	730	411	555	698	406	547	687
Local & Small Town	285	397	500	272	376	474	264	364	458
Total	**715**	**978**	**1230**	**683**	**931**	**1172**	**670**	**911**	**1145**

Table 2 Villages and Small Settlements – 2020 Committed Zoned & Uncommitted Zoned

Settlement Tier	Threshold 10 units on 0.1 ha			Threshold 10 units on 0.2 ha			Threshold 10 units on 0.5 ha		
	15%	20%	25%	15%	20%	25%	15%	20%	25%
Villages	83	124	180	82	123	179	80	120	173
Small Settlements	18	29	44	18	29	44	15	25	38
Total	**101**	**153**	**224**	**100**	**152**	**223**	**95**	**145**	**211**

From an initial review of all zoned sites across the district using a number of threshold options it was apparent that there was a significant degree of difference in delivery across the threshold range. In terms of the district's city and towns it was concluded that 15% would not deliver a sufficient number of affordable units at any of the three site area options. At the other end of the scale 25% requirement would clearly deliver the greatest number of units however could make delivery of mixed used schemes by the private sector more difficult to achieve due to the proportion of affordable units. It was therefore considered that the 20% threshold represented an appropriate middle ground.

The threshold range was, not surprisingly, much smaller in the case of villages and small settlements. Zoning is not undertaken to the same degree at the village and small settlement level as zoing at these tiers creates a degree of inflexibility that can restrict the orderly development of smaller settlements. The outcome of the review indicated that 20% could again be appropriate although there was very little difference between the three site area options.

Following on from this review of all zoned lands, a similar exercise was then undertaken in respect of all undeveloped lands (Uncommitted zoned and unzoned lands) identified through the 2020 annual housing monitor. Similar thresholds were applied in respect of the top settlement tiers. These results also indicated that 20% affordable housing requirement was appropriate for the district's city and towns. It was evident from this analysis that there was a proportionately greater gap in delivery between 0.2ha and 0.5ha than the wholly zoned sites (see Table 1). It was concluded that smaller unzoned windfall lands were contributing to this gap and the potential form these smaller sites could still be secured if the policy requirement was for 20% affordable housing for schemes consisting of 10 units or more **or** with a site area of 0.5ha.

Table 3 City & Towns – 2020 Uncommitted Zoned & Unzoned Sites

Settlement Tier	Threshold 10 units/0.2 ha			Threshold 10 units/0.5 ha			Threshold 10 units /0.7 ha		
	15%	20%	25%	15%	20%	25%	15%	20%	25%
City & Main Town	397	544	686	355	483	608	349	473	595
Local & Small Town	263	367	461	250	345	434	243	334	420
Total	**660**	**911**	**1,147**	**605**	**828**	**1,042**	**592**	**807**	**1,015**

Note: Green highlight identifies proposed threshold set out in the dPS.

Table 4 City and Towns - 2023 Uncommitted Zoned and Unzoned Sites

Settlement Tier	Threshold 10 units/0.2 ha			Threshold 10 units/0.5 ha			Threshold 10 units /0.7 ha		
	15%	20%	25%	15%	20%	25%	15%	20%	25%
City & Main Town	371	506	637	336	455	573	334	452	569
Local & Small Town	226	315	396	209	289	364	202	279	351
Total	**597**	**821**	**1,033**	**545**	**744**	**937**	**536**	**731**	**920**

Turning to the village and small settlement tier an additional threshold was added, this looked at affordable housing delivery based on a threshold of 5 units on a site area of 0.1ha with a requirement for 20% , this was then compared against results for 10 units at 10%, 15% and 20%. This analysis suggested that a threshold of 5 units on a 0.5ha requiring 20% affordable housing could provide the greatest support to affordable housing across the district's rural settlements. It was considered that a 10 unit threshold would not delivery the necessary level of affordable housing to rural areas.

Table 5 Villages and Small Settlements – 2020 HM Uncommitted Zoned & Unzoned Sites

Settlement Tier	5 units /0.1ha	10 units/ 0.1ha			5 units /0.2ha	10 units/0.2ha			5 units /0.5 ha	10 units/0.5ha		
	20%	10%	15%	20%	20%	10%	15%	20%	20%	10%	15%	20%
Villages	219	93	177	204	211	91	138	200	184	85	129	185
Small Settlements	68	27	42	61	66	27	42	61	47	24	35	50
Total	**287**	**120**	**219**	**265**	**277**	**118**	**180**	**261**	**231**	**109**	**164**	**235**

Table 6 Villages and Small Settlements – 2023 HM Uncommitted Zoned & Unzoned Sites

	5 units /0.1ha	10 units/ 0.1ha			5 units /0.2ha	10 units/0.2ha			5 units /0.5 ha	10 units/0.5ha		
	20%	10%	15%	20%	20%	10%	15%	20%	20%	10%	15%	20%
Villages	219	84	126	187	211	80	122	178	183	73	112	161
Small Settlements	45	16	25	36	44	15	24	36	31	12	20	29
Total	**264**	**100**	**151**	**223**	**255**	**95**	**146**	**214**	**214**	**85**	**132**	**190**

The NIHE in their representation to the draft Plan Strategy support the proposed affordable housing thresholds set out in Policy HOU5. They state as follows:

"*We support that a minimum of 20% affordable housing provision will be provided on sites of 0.5ha or comprising of 10 units or more in Newry City and the district's towns, and on sites of 0.2ha or comprising of five residential units or more within the district's villages and small settlements. We believe this proportion and the policy thresholds will help to address affordable housing need. We welcome the lower threshold for villages and small settlements, where there is generally smaller scale development; a five-unit threshold is appropriate to maximise the number of sites to which the policy can be applied in rural areas.*"

They further advise that they would like the policy to be flexible to permit 100% in smaller sites within larger settlements where need is high and the tenure characteristics of the surrounding area would allow for balanced communities.

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