Belfast Region
Place Shaping Team

Housing Market Analysis Update

Lisburn & Castlereagh City Council Area

April 2018

Housing Executive

Contents

Section 1:
Introduction and Context

Introduction

Adequate housing is a human right, essential to human dignity, security, health and wellbeing. The right to adequate housing, is a key component of the right to an adequate standard of living, as access to housing can be a precondition for the enjoyment of several human rights, including the rights to work, health, social security, vote, privacy, education and the rights of the child. The spatial organisation of housing can also promote or hinder social cohesion, equity and inclusion.

As recognised by the Regional Development Strategy (RDS) and the Spatial Planning Policy Statement (SPPS), planning plays a crucial role to ensure all people have access to a decent, connected, safe, affordable and well-located home. Planning can ensure a supply of land is provided for a variety of housing options to encourage mixed income development and to reduce segregation and exclusion.

The purpose of a Housing Market Analysis (HMA) is to provide evidence in order to develop integrated housing policies and approaches. Therefore, this HMA Update can be important to inform Local Development Plans (LDP) housing policies contained in both the Plan Strategy and Local Plan Policy Stages, in order to facilitate access to appropriate housing.

The Housing Executive published 11 HMAs from 2011 to 2013. This included the Belfast Metropolitan Housing Market, the largest housing market in Northern Ireland. These HMAs were not based on council boundaries but on functional housing market areas, defined by 'Travel to Work Areas'. The purpose of this document is to provide an update on the HMA, by examining the current housing market and housing issues. Unlike the original Belfast Metropolitan HMA, this document will focus specifically on the Lisburn and Castlereagh City Council area, in order to provide councillors, planners, the public and stakeholders with an accessible evidence base which can be referred to when informing decisions on housing and planning policies and strategies, at the Council level.

The Department of the Environment issued the SPPS in September 2015. It states that the Housing Executive will carry out a Housing Needs Assessment/Housing Market Analysis and that this:

> *'provides an evidence base that must be taken into consideration in the allocation, through the development plan, of land required to facilitate the right mix of housing tenures including open market and special housing needs such as affordable housing, social housing, supported housing and travellers' accommodation. The Housing Needs Assessment (HNA) will influence how LDPs faciltiate a reasonable mix and balance of housing tenures and types.'*

This HMA update offers a regional and local housing market context, identifying key housing market drivers, and provides an overview of the three main tenures, Owner Occupation, Private Rented Sector and Social Housing, (including general needs, supported and traveller accommodation). In recent years the main housing market drivers have included:

- The economy;
- Demographics;
- Empty homes;
- Purpose Built Student Housing (PBSA) and
- Regeneration.

While the HMA considers each tenure separately, it should be acknowledged that housing tenures are fluid and interact, with the dynamics of one tenure often affecting supply and demand in another. For example, a lack of affordable owner occupied housing offers first time buyers an alternative to rent privately. In addition prospective social housing applicants may also look to the private rented sector, with the support of housing benefit, where turnover in social housing is limited in their areas of choice.

It should be noted there is a lack of current and/or local data for some of the drivers and categories of housing; in this instance, we have used the latest data that is available. While it would have been benefical to have all of the information fully updated, these records continue to be useful in identifing regional and local trends.

In addition, an annual HNA update of social housing need will be presented to the Council each year within the Housing Investment Plan (HIP), in order to assist the Council in the monitoring and review of the LDP. Annual monitoring will enable the Council to evaluate how the objectives of the LDP are being achieved, and it will inform Plan Reviews. The annual HNA will also be a material consideration in the determination of planning applications.

Housing Market Areas

In 2010, the Housing Executive commissioned research on HMAs in Northern Ireland. The purpose of this was to gain a spatial understanding of how the housing market functions. This can help determine housing priorities, policy decisions and plans for housing.

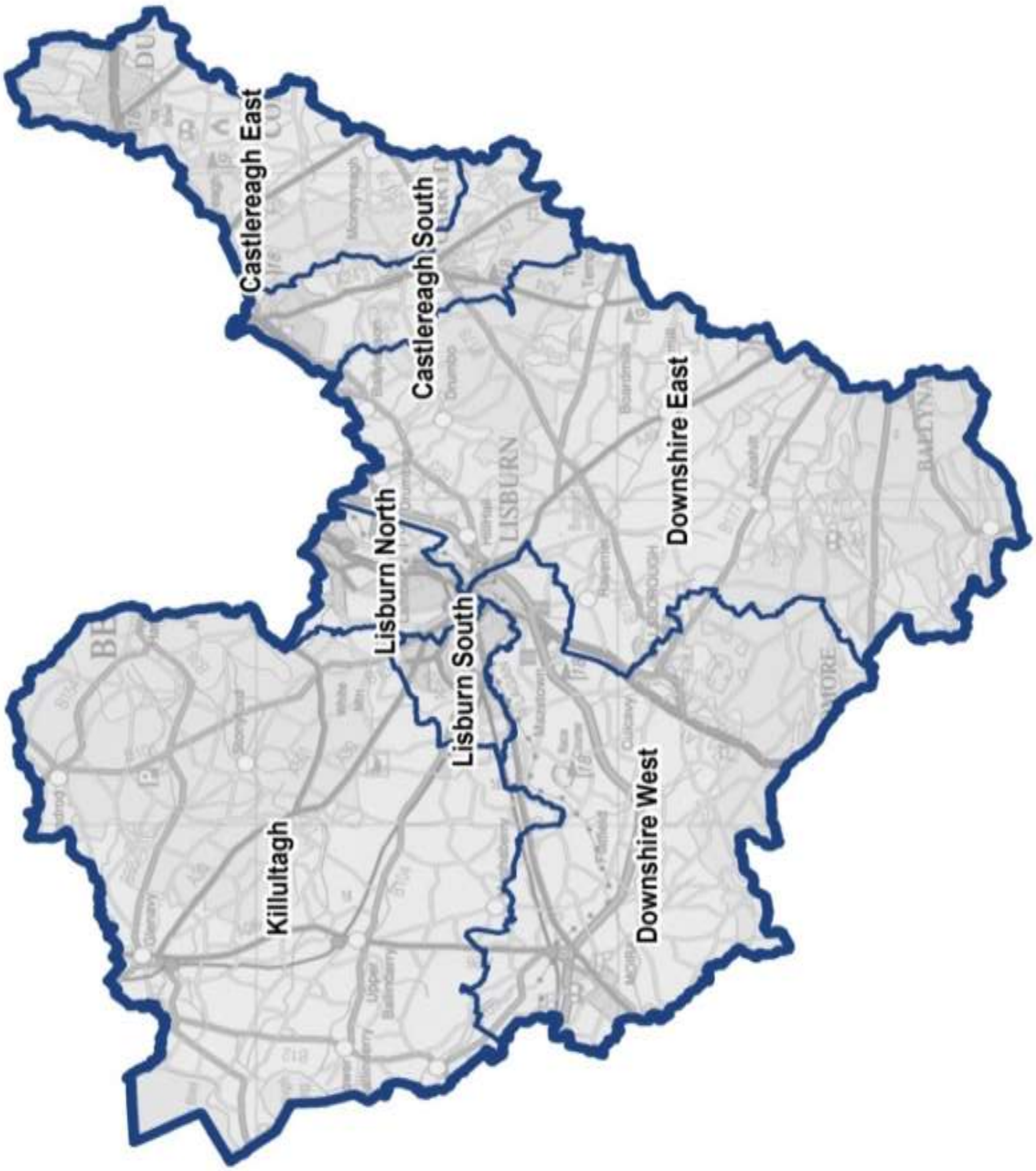
An HMA is defined as a geographical area, where most people live and work. It is the area within which most people move house without moving job. As households often take little account of local authority boundaries when searching for a house, HMAs can cross council boundaries.

HMA boundaries are identified using Travel to Work Areas (TTWA) and the level of self-containment an area has. Examining TTWA commuting flows between home and place of work, are often used to approximate HMAs, alongside self-containment, how relative the proportion of people or households that move within an area, is to the number that move into or out of it.

However, HMA boundaries change over time due to various factors, including the affordability of commuting, reduced or increased travel times, and the spatial direction influenced by land use planning. Therefore, the Housing Executive has commissioned new research to examine the validity of the existing housing market areas, especially in light of the new Council boundaries. These new housing market areas geographies are due to be published in 2018.

This report is based solely on the boundary of Lisburn & Castlereagh City Council created in April 2015 following the implementation of the Review of Public Administration (RPA). All statistics in this document refer to Lisburn & Castlereagh City Council unless stated otherwise.

Map 1: Lisburn & Castlereagh City Council Boundary



Housing Executive

Policy Context

This chapter describes the strategic housing and planning policy context within which the Lisburn & Castlereagh housing system functions. This chapter also takes account of the budget, policy development and planning environment.

UK Government Spending

The Autumn Budget in 2017 confirmed that the government would continue to deliver spending plans set at the 2015 Spending Review.

The 2015 Spending Review included measures to reduce central government grant to local authorities and change public services; including criminal justice system, prisons, tax collection, and the delivery of welfare, to allow a reduction in the public sector workforce. The Spending Review also planned to change state support by moving from grant to loan funding for some groups such as health students and innovation; and by asking larger employers to contribute more to the cost of apprenticeship training.

However, since the 2017 Budget, the outlook for the public finances continues to be constrained. A fragile economy has meant less income from taxes to clear the public sector debt and reduced spending for local authorities to cover increased demand for social and welfare services. Given the period of uncertainty, while the UK negotiates a new relationship with the European Union (EU), the Government will no longer seek to reach an annual fiscal surplus by 2019/20. Growth forecasts for the years to 2022 have been downgraded.

Budget for Housing

The 2017 Autumn Budget announced the following investment in housing:

- The National Productivity Investment Fund (NPIF) includes funding for the Accelerated Construction Programme and Housing Investment Fund announced last year, and additional funding for affordable housing. It significantly expanded the Small Sites infrastructure and remediation fund, launched in August, and proposes a new Land Assembly Fund to be administered by Homes England.
- The Budget confirmed a further £2 billion for affordable housing announced in October, including funding for social rented homes. This takes the total budget for the Affordable Homes Programme from £7.1 billion to £9.1 billion to 2020/21.
- The NPIF includes £2.9 billion for affordable housing in the four years 2017/18 to 2020/21. This is actually less than the £3.465 billion shown for the same period in the 2016 Autumn Statement. However, the latter amount included investment of £1.8 billion by housing associations "funded from sources other than central government". This has apparently been excluded from the new figures,

presumably because the ONS has now accepted that housing associations in England may once again be treated as private sector bodies.

- The Government plans a more interventionist approach to securing an increase in the supply of new homes. The Homes and Communities Agency will be renamed Homes England and given strengthened powers and funding, including a £1.1billion Land Assembly Fund to enable it to work alongside private developers to develop strategic sites, including new settlements and urban regeneration schemes.
- The Housing Infrastructure Fund, first announced in autumn 2016, is allocated to local authorities on a competitive basis to fund infrastructure investment. It has been increased from £2.3 billion to £5 billion, partly by confirming allocations totalling £1.25 billion for 2021/22 and 2022/23.
- Affordable Homes;- restrictions on grant funding will continue to be relaxed to allow providers to deliver a mix of homes for affordable rent and low cost ownership. The NPIF will provide an additional £1.4 billion to deliver 40,000 housing starts by 2020-21.
- Accelerated Construction; – The 2016 Autumn Budget announced £2 billion for the Accelerated Construction Programme over the four years to 2020/21; the new plans announced in Autumn 2017 reduced this to £690 million.
- The Housing White Paper announced a £45 million Land Release Fund to allow remediation and infrastructure provision to accelerate the building of homes on small, difficult to develop sites, including surplus local authority land. The 2017 Budget provides a further £630 million for this purpose.
- The Budget's headline proposal is to permanently raise the price at which a property becomes liable for Stamp Duty Land Tax to £300,000 for first-time buyers, with purchasers of properties, worth up to £500,000, being only required to pay duty on the margin above £300,000. The cost of this policy is estimated at over £3 billion to 2022/23.
- The Budget confirmed the announcement in October 2016 of a further £10 billion for the Help-to-Buy equity loan scheme, raising the total provision to £11,870 million. This is shown in the accounts as a financial transaction that does not count against the Public Sector Net Borrowing Requirement.
- Councils will be enabled to increase the council tax premium payable on empty homes from 50% to 100%.
- The Government will proceed with a large-scale regional pilot of the Right to Buy for housing association tenants in the Midlands. The Budget report mentions a cost of £200 million, but the policy costings include only a sum of £85 million in 2019/20; presumably this is an addition to the £210 million allocated to the pilot in the 2016 Autumn Statement.

References to housing proposals contained in Queen's Speech in June 2017 include the banning of letting fees for tenants and assisting house building by implementing a range of measures set out in the Housing White Paper 'Fixing our broken housing market' (DCLG, February 2017).

Northern Ireland Budget

The UK Government has tabled a budget for Northern Ireland in the ongoing absence of devolved ministers because of the powersharing crisis. Northern Ireland Secretary Karen Bradley unveiled the 2018/19 twelve billion Westminster spending plan for the region in a written statement to Parliament. The budget includes £410 million of the £1 billion investment package secured by the DUP as part of its 'Confidence and Supply Agreement' with the minority Conservative administration.

Mrs Bradley's budget delivers real-term increases in health and education spending and cash terms increases, below the rate of inflation, for justice, infrastructure and agriculture. All other departments will see their allocation maintained at the same level or decreased from the 2016/17 budget.

In 2016/17, the NI Executive agreed a comprehensive programme of public sector reform, including up to £700 million of capital borrowing to fund Voluntary Exit Schemes (VES) across the public sector. This money is to be available over 4 years with £200 million in 2015-16, £200 million in 2016-17, £200 million in 2017-18 and £100 million in 2018-19. This Public Sector Transformation Fund allocated £14.5m to Department for Communities (DfC), of which £9.1m was allocated to the Housing Executive to fund redundancies.

The 2016/17 budget for housing is mainly set out within the DfC budget allocation. The top priority for DfC in 2016-17 has been to deliver reform of the welfare system, incorporating an expanded range of services while maintaining service delivery standards. Key priorities associated with housing include:

- supporting and developing vibrant communities through providing access to decent affordable homes, and creating urban centres which are sustainable, welcoming and accessible;
- supporting Older People, those Aging, Disabled or in Poverty including Child Poverty; and
- continue to support vulnerable members of society through joined up service delivery.

Resource allocation for DfC in 2016/17 increased by 6.2% from the previous year, and totaled £871.2m; of this, housing was allocated £156.4m, and communities, cohesion and regeneration received £102.2m. Capital allocation for DfC amounted to £159.7m, with housing receiving £107.5m and community, cohesion and regeneration received £20.0m. DfCs key areas for capital investment in 2016/17, which are related to housing, include:

- Meeting the needs of new and existing housing tenants;
- Continue to invest in seeking to address fuel poverty; and

- Sustain urban regeneration investment as far as possible.

Projected expenditure on the Housing Executive and Housing Associations is to reduce by 21% from £211.8m in 2020/21 to £165.5m in 2024/25 and, over the same period, capital investment for this sector is to decrease by 30% from £130.1m to £90m. It is envisaged that the Housing Executive's programme of modernisation and rationalisation will result in staff and running cost reductions. A review of maintenance spending, improved asset management and increased rental income are also to provide savings and additional revenue.

After the 2017 general election, the 'Supply and Confidence' arrangement between the DUP and the Conservative minority Government resulted in an extra £1 billion public spending for Northern Ireland. This is to be allocated as follows:

- Health: A minimum of £250m, with £200m directed to health service transformation and £50m towards mental health provision. It will also receive £50m to 'address immediate pressures';
- Education: £50m to 'address immediate pressures';
- Infrastructure: £400m for projects including delivery the York Street Interchange, plus £150m to provide ultra-fast broadband across Northern Ireland;
- Deprivation: £100m over five years targeted toward deprived communities;
- VAT and Air Passenger Duty tax: Agreed, subject to further consultation;
- Corporation tax: Agreed to work towards devolving corporation tax; and
- City deals and Enterprise Zones: Agreed to a set of city deals and a limited number of Enterprise Zones.

It is clear that expenditure on public services will remain constrained across the sector for some time, despite potential monies that may be brought forward through arrangements between the Conservative and DUP parties. This fiscally austere approach will continue to impact on available funding for resourcing new and improved housing and housing services.

UKs relationship with the European Union

The United Kingdom (UK) government triggered the two-year process for leaving the European Union (EU) in March 2017, meaning the UK is scheduled to leave the EU on 29th March 2019. EU law will remain until the UK ceases to be a member, when the EU (Withdrawal) Bill will be enacted. This Bill will copy EU laws into UK law allowing the UK to amend or repeal these laws over time.

There is uncertainty regarding the outcome of negotiations between the UK and EU. Decisions on remaining in the single market, and, or the customs union, the status of EU citizens and the border between Northern Ireland and the Republic of Ireland are key areas of debate. Without any agreements being known at the stage of writing, it is difficult to forecast the effect leaving the EU may have.

With regard to Northern Ireland, decisions on the form of the land border between Northern Ireland and the Republic of Ireland will affect trade and households living and commuting across the border each day for work. The Centre for Cross Border Studies (2016) estimates that between 23,000 and 30,000 people are cross border workers, including workers who are neither UK nor Irish citizens. If checks are reintroduced at the border, this could damage trade and the economy, as well as being detrimental to workers travelling times. As the status of citizens also becomes unclear, it may lead to people who have moved to different states, relocating back to their home state, in order that benefits and welfare rights remain available to them.

In addition, the Centre for Cross Border Studies (2017) report Northern Ireland has received EU funding of €7.25bn between 1988 and 2013, which has been important for both the economy and the peace process. Between 2014 and 2020, €3.5bn funding from the EU was expected; there is now uncertainty on whether and what proportion of these funds can be drawn down.

The UK's relationship with the EU is of significant importance throughout Northern Ireland. EU funding has been important in supporting economic development strategies aiming to enhance the productivity, innovation and exports of local industry. The withdrawal of EU funding for Northern Ireland is expected to significantly reduce services from the public and voluntary sectors.

Welfare Reform

The Welfare Reform Act 2012, introduced measures to address the rising costs of benefits. In Northern Ireland, changes to the benefits system for working age claimants came into effect with the introduction of The Welfare Reform Order (NI) 2015, on 10 December 2015.

The changes include a 'phased in' benefit cap, which sets an upper limit on the amount of income from benefits a household can receive from November 2016. The benefit cap limits families to £20,000 per year and single households can receive up to £13,400. Households whose income is in excess of these amounts will have their housing benefit reduced to meet these limits. It is calculated the benefit cap will affect 2,600 claimants, 600 of whom are Housing Executive tenants.

Universal Credit (UC) is a new payment that aims to support households on a low income or out of work, and was introduced in Northern Ireland in September 2017. This will affect working-age claimants aged 18 to 64 years old. Claims are made online and paid twice a month to each household. If a person is renting a property, the housing element of the Universal Credit payment will be paid to the landlord. A certain amount can be earned before a Universal Credit payment is reduced. This is known as Work Allowance. For any money earned over the Work Allowance, Universal Credit will be gradually reduced. Benefits to be replaced by UC are:

- Jobseeker's Allowance (income-based)
- Employment and Support Allowance (income-related)
- Income Support
- Child Tax Credits
- Working Tax Credits
- Housing Benefit (Rental)

Starting in September 2017 and ending in September 2018, UC will be introduced on a phased geographical basis by Jobs and Benefits office/Social Security office for all new claims, as set out below:

Table 1:1: Universal Credit Roll Out

Week commencing	Office
25 September 2017	Limavady
13 November 2017	Ballymoney
11 December 2017	Magherafelt and Coleraine
15 January 2018	Strabane and Lisnagelvin
5 February 2018	Foyle and Armagh
19 February 2018	Omagh and Enniskillen
5 March 2018	Dungannon and Portadown
16 April 2018	Banbridge and Lurgan
30 April 2018	Kilkeel, Downpatrick and Newry
14 May 2018	Bangor, Newtownards and Holywood Road
28 May 2018	Knockbreda, Newtownabbey and Shankill
11 June 2018	Corporation Street, Falls and Andersonstown
25 June 2018	Shaftesbury Square, Lisburn and Larne
2 July 2018	Carrickfergus, Antrim and Ballymena
July-September 2018	Cookstown, Ballynahinch and Newcastle

Source DfC

If a claimant is in receipt any of the six benefits being replaced by Universal Credit they will be transferred to Universal Credit between July 2019 and March 2022.

Social Sector Size Criteria (SSSC), introduced in February 2017 has changed the way Housing Benefit is now calculated for those living in social housing. It means the amount of Housing Benefit paid is now based on the number of people in a household and the number of bedrooms the household needs. If found to be under-occupying, the rent used to calculate housing benefit would reduce by:

- 14% if under-occupied by 1 bedroom, or
- 25% if under-occupied by 2 or more bedrooms

There are exemptions based on household's need for an additional bedroom, the qualifying age for State Pension credit being reached and for some types of accommodation. In addition, existing social housing tenants are exempt from the impact of SSSC until 2020 under the 'Fresh Start' agreement 2015. Changes to housing benefits include:

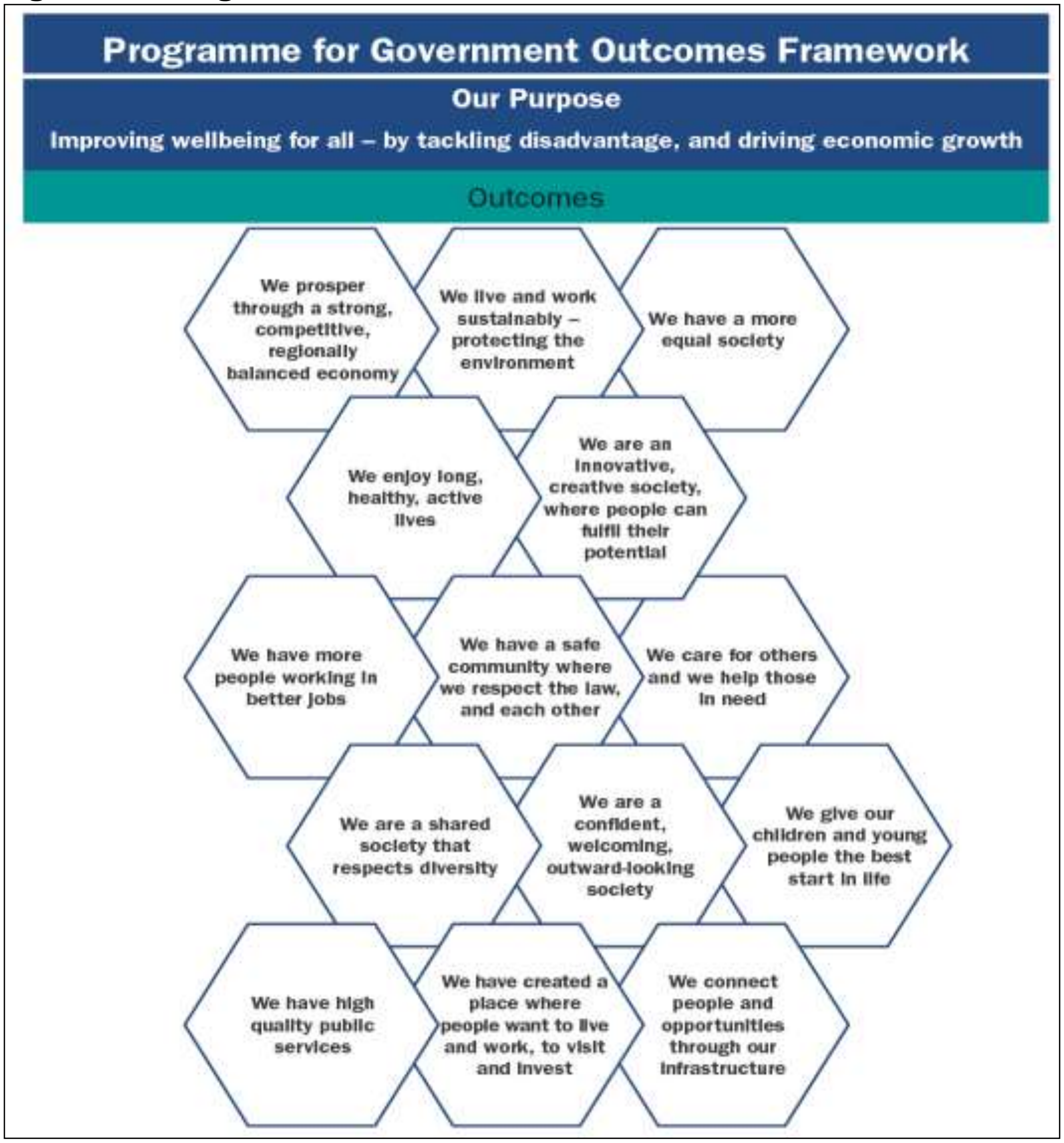
- In April 2011, in Great Britain and Northern Ireland, Local Housing Allowance (LHA) rates were changed and are now calculated on the 30th percentile of local rents rather than the mid-point.
- In April 2011, LHA rates for a five-bedroom property were removed; the maximum LHA rate is now for a four-bedroom house.
- LHA caps are now being extended to the social housing sector. This will come into force in September 2019, for all tenancies that started in and after September 2017.
- Throughout the UK from January 2012, single people under the age of 35, receiving Local Housing Allowance (LHA), in the private sector, have been restricted to a rate for a single room in a shared property. This is being introduced to the social housing sector, with changes taking effect in 2019, for tenancies that started after 31 August 2017.
- Local housing allowance rates are to be set in line with the Consumer Price Index (CPI), instead of the Retail Price Index (RPI). CPI and RPI are both measures of inflation; however, RPI includes housing costs and mortgage interest payments, which CPI excludes. CPI is expected to restrict growth in benefit expenditure.
- On 1 April 2016, LHA rates were frozen for four years.

There are two mitigation schemes to help those with shortfalls in benefits. A Discretionary Housing Payment, administered by the Housing Executive, helps those whose housing benefit does not meet rent costs. The Welfare Supplementary Payment (WSP) scheme, administered by DfC, aims to provide assistance to those affected by a loss of benefits, including for those who have a shortfall resulting from the SSSC or the benefit cap. The WSP will be available until 31 March 2020.

The Northern Ireland draft Programme for Government

The Northern Ireland Executive's (NI Executive) published a draft Programme for Government in November 2016. Its over-arching aim is to 'improve wellbeing for all by tackling disadvantage and driving economic growth. The draft Programme for Government is an outcome based approach and proposes 14 outcomes, supported by indicators and measures. The 14 outcomes are set out in Figure 1 below. While housing is a cross cutting issue and can help achieve aspects in all 14 outcomes, there are two indicators specifically relating to housing; 'the number of households in housing stress' and the 'gap between the number of houses we need, and the number of houses we have.'

Figure 1:1: Programme for Government Outcomes



Source: NI Executive (2016)

Key measures in relation to housing include:

- A commitment to build 9,600 social homes by March 2021;
- Supporting 3750 first time buyers to purchase a new home through Co Ownership or a similar scheme and developing new affordable housing products to help first time buyers;
- Helping to address the under supply of appropriate housing, such as accessible housing, for particular groups, including older people, in the private sector;
- Review the effectiveness of the Fuel Poverty Strategy and develop a new strategy by March 2019;
- Support more shared housing and incentivise the development of more mixed tenure, mixed use sites;
- Review the Housing Selection Scheme; and
- Develop a homelessness strategy.

Fixing Our Broken Housing Market

The UK Government published the Housing White Paper 'Fixing Our Broken Housing Market' in February 2017. This paper applies to England but it includes proposals that other jurisdictions are now also considering. The Paper contains four themes:

1. Planning for the right homes in the right places;
2. Building homes faster
3. Diversifying the market; and
4. Helping people now

The primary objectives of the White Paper are to enable the development of more homes and to reduce housing costs, so that more people can enter home ownership. Key measures include:

- Ensuring up to date development plans are in place;
- Improve the coordination of public investment and infrastructure and to support Connections to utilities to allow developers to build more quickly;
- To diversify the market by encouraging smaller builders and attract new investors; and
- Improve safeguards in the private rented sector.

The first outcome of the White Paper was the announcement in the Queen's Speech in June 2017, that letting agents fees would be abolished.

The Housing Strategy 2012-17

The 'Facing the Future' Housing Strategy was published by Department of Social Development (DSD) in October 2012. An accompanying Action Plan was published in 2013 setting out actions to deliver the Housing Strategy, with an Action Plan update published in 2015 setting out the progress to achieving actions. The Strategy states that the Government has five main roles in relation to housing:

1. Helping to create the right conditions for a stable and sustainable housing market that supports economic growth and prosperity;
2. Providing support for individuals and families to access housing, particularly the most vulnerable in society;
3. Setting minimum standards for the quality of new and existing homes and for how rented housing is managed;
4. Driving regeneration within communities, particularly those suffering from blight and population decline; and
5. Promote equality of opportunity in housing in NI and promote good relations.

To achieve the five roles above, the Housing Strategy contains actions and proposals, including:

1. Establish a Housing Supply Forum to identify ways of increasing housing supply with membership from Government bodies, the construction industry, financial organizations, academics, and housing professionals;
2. Increase a range of affordable housing products to support households to move into home ownership, including enhancing the House Sale Scheme to social housing tenants, so they can buy their house out right or buy an equity share;
3. Introduce a developer contribution scheme, when market conditions improve, to increase the supply of social and intermediate housing;
4. Implement the Homelessness Strategy for Northern Ireland;
5. Provide smaller bedroom properties for under occupying tenants;
6. Develop an Empty Homes Strategy;
7. Develop social clauses in contracts for new social house building, to generate employment and training opportunities.

A key aspect of the Housing Strategy is to take a housing led regeneration approach to regenerating communities experiencing deprivation and blight by providing new social and affordable homes. The Housing Executive actively supports regeneration and supports the Housing Strategy's aim of a collaborative approach across Government to promote sustainable regeneration.

The Housing Strategy end date was 2017. The Department for Communities (DfC) are currently in the process of completing a final evaluation of the Housing Strategy which should be available during 2018. The next version of the Strategy is the Programme for Government (PFG) delivery plan which is in draft until it receives Executive approval. The proposals contained within the Housing PFG delivery plan and subsequent actions are an attempt to learn from the experiences of delivering the Housing Strategy.

Supporting Strategies

The Programme for Government and the Housing Strategy identify a number of strategies and plans, which will promote the aims, priorities and commitments of both documents. These include a Review of Housing Fitness standards and the Review of Houses in Multiple Occupation. DfC also published a consultation document 'Private Rented Sector in Northern Ireland – Proposals for Change' in January 2017. The key objectives of this review are to:

- Assess the contribution the PRS currently makes and could potentially make to increase housing supply;
- Identify the key enablers to support the current and potential future role of the PRS;
- Evaluate the effectiveness of existing regulation;
- Ascertain if there are any unintended consequences in the current system and make recommendations on how these could be addressed; and

- Assess the contribution the PRS does and could make to support the NI Executive's 'Together Building a United Community' Strategy, which focuses on encouraging more shared housing.

Community Planning

The new councils received powers of wellbeing and community planning, within the Local Government Act 2014. This stated that local government districts have statutory duty to lead and facilitate community planning and will be required to consult and co-operate with the community and bodies responsible for providing public services. The legislation also established a statutory link between community plans and development plans.

Lisburn & Castlereagh Community Plan

Lisburn & Castlereagh City Council and their statutory partners published their Community Plan in May 2017. The plan is ambitious and takes an all-inclusive approach to what the Council wants to achieve for Lisburn and Castlereagh by 2032. This will be followed by a detailed action plan for the first two years of the plan covering the period 2018-2019. Following extensive consultation with the community and Community Plan partners, an action plan is being prepared under the social, economic and environmental themes. The Community Planning Themes are:

1. Children and Young People
2. The Economy
3. Health and Well being
4. Where We Live
5. Our Community

Housing has a key role in this process and can contribute to achieving many of these actions. Housing can have a positive effect on health and wellbeing, regeneration and the environment, community cohesion and neighbourhoods, combating fuel poverty and promoting the use of renewable energy and assisting economic growth.

Planning Policy Context

The Regional Development Strategy (RDS)

The first RDS "Shaping our Future", was issued by the Department for Regional Development (DRD) at the end of 2001 and was reviewed in 2006 and 2010. In March 2012, a new RDS was published to guide development to 2035.

The RDS 2035 provides an overarching strategic framework, to help achieve a strong spatially balanced economy, a healthy environment and an inclusive society. The RDS also contains a commitment to sustainable development.

The Strategy contains a Spatial Framework to support balanced spatial economic development and growth throughout Northern Ireland.

RDS housing requirements

The RDS's regional objectives for housing are to:
- Manage housing growth to achieve sustainable patterns of residential development;
- Support urban and rural renaissance; and
- Strengthen community cohesion.

The RDS Spatial Framework aims to influence the geography of development across Northern Ireland. The RDS, therefore, sets 'Housing Growth Indicators' (HGIs) to guide distribution of housing in the region. The RDS projects housing growth required to respond to changing housing need within all tenures.

The RDS identifies an indication of the net additional housing requirement of 94,000 dwellings between 2012 and 2025 throughout Northern Ireland. The HGIs allocate a proportion of the regional net additional housing requirement to each LGD. These allocations were intended to provide a starting point for assessing future net housing additions required at the local level through the Development Plan process. The distribution of housing growth within each council area will be decided as part of the development plan.

The HGI figure for 2025 at 94,000 is significantly lower than the projected housing growth figure calculated in 2008 at 190,000 to 2025.

RDS housing requirements for Lisburn & Castlereagh City Council

The RDS's regional allocation of 94,000 dwellings is shared according to the Spatial Framework; Lisburn & Castlereagh City Council area has an allocation of 7,200 new dwellings.

Table 1.2: Housing Growth Indicators 2012 to 2025

LGD	RDS 2035 2012-2025	
	Number	**%**
Lisburn & Castlereagh City Council	7,200	7.7%
Northern Ireland	94,000	100

Source: DFI (2016)

Strategic Planning Policy Statement (SPPS) and Development Plans

The implementation of the RDS is supported by SPPS, issued in 2015, and new Local Development Plans.

The key aim of the SPPS is to further sustainable development through balancing and integrating the three pillars of sustainable development: social, economic and environmental considerations. The SPPS also introduces spatial planning, requiring:

> *'a positive and proactive approach to planning, and a coherent long-term policy framework to guide and influence future development across the region. Strategic, community and land use planning matters, policies and decisions should be considered together. This new approach to planning extends beyond land use to integrate policies for the development and use of land with other key policies and programmes which influence the nature of places and how they function. It should also be visionary in setting out a clear expression for how areas should look and function into the future.'*

In relation to housing, the SPPS states Planning Authorities must deliver

- Increased housing density without town cramming;
- Sustainable forms of development;
- Good design; and
- Balanced communities.

The SPPS is a framework for establishing the spatial distribution of housing allocations as part of the development plan process. It also allows for supply of land and other measures to deliver affordable housing development predicated on the findings from Housing Needs Assessments prepared by the Housing Executive.

The Lisburn & Castlereagh City Council Local Development Plan (LDP) will replace the Lisburn Area Plan 2001 and the draft Belfast Metropolitan Area Plan 2015. The LDP will influence housing development in Lisburn & Castlereagh City Council area for 15 years. The draft Plan Strategy is scheduled to be published in 2018 and subsequently adopted in 2019.

The Plan Strategy will set out a spatial and settlement strategy for the Lisburn and Castlereagh area. A strategic housing policy will also be set out within the Plan Strategy. The Local Policies Plan will zone and allocate land for housing in accordance with the following:

- Housing Growth Indicators (HGIs);
- Allowance of existing commitments;
- Urban capacity studies;
- Housing Needs Assessment;
- Allowance for windfall housing sites; and
- Residual housing need.

Conclusions

Currently the policy context for the UK, Northern Ireland and Lisburn & Castlereagh City is fluid, making long-term predictions difficult. At the time of writing there is uncertainty regarding the Northern Ireland budget in the absence of a functioning Northern Ireland Assembly. In addition, the consequences for households and housing, due to changes in welfare reform may only be partially known, while mitigation payments are being provided. This means that we may not know the full extent of housing need until 2020, when supplementary payments are due to cease. The full effect of the UK leaving the EU, may only emerge over several years, with decisions on the economy, the NI/ROI border and the status of EU nationals still to be negotiated and agreed. Undoubtedly, this will have a significant effect on the future of Northern Ireland and Lisburn & Castlereagh City.

As the future policy context is changeable, any predictions and forecasts should be viewed with caution. In this unstable policy environment, monitoring effects over time will be of crucial importance.

Northern Ireland Housing Market

This chapter considers long term tenure changes and the performance of the Northern Ireland housing market as a whole, with emphasis on important variations within Lisburn & Castlereagh. This mainly focuses on the owner occupied housing market, with regional and local performance in relation to social housing and the private rented sector discussed in more detail in Section 3.

Tenure

There have been substantial changes to the tenure profile of the housing market in Lisburn & Castlereagh City in the period since 1991. The 2011 census record higher levels of owner occupation and social housing in Lisburn & Castlereagh City Council (LCCC) compared to the rest of Northern Ireland. Despite being higher than the Northern Ireland level, the social housing sector in LCCC between 1991 and 2011 has reduced its share of the market whereas there has been a relatively high increase in the proportion of Private Rented Sector (PRS) properties. The tenure profile has also been reflected across Northern Ireland, with higher levels of private rental and lower levels of social housing; the latter reflecting the impact of the Right to Buy policy in the social sector.

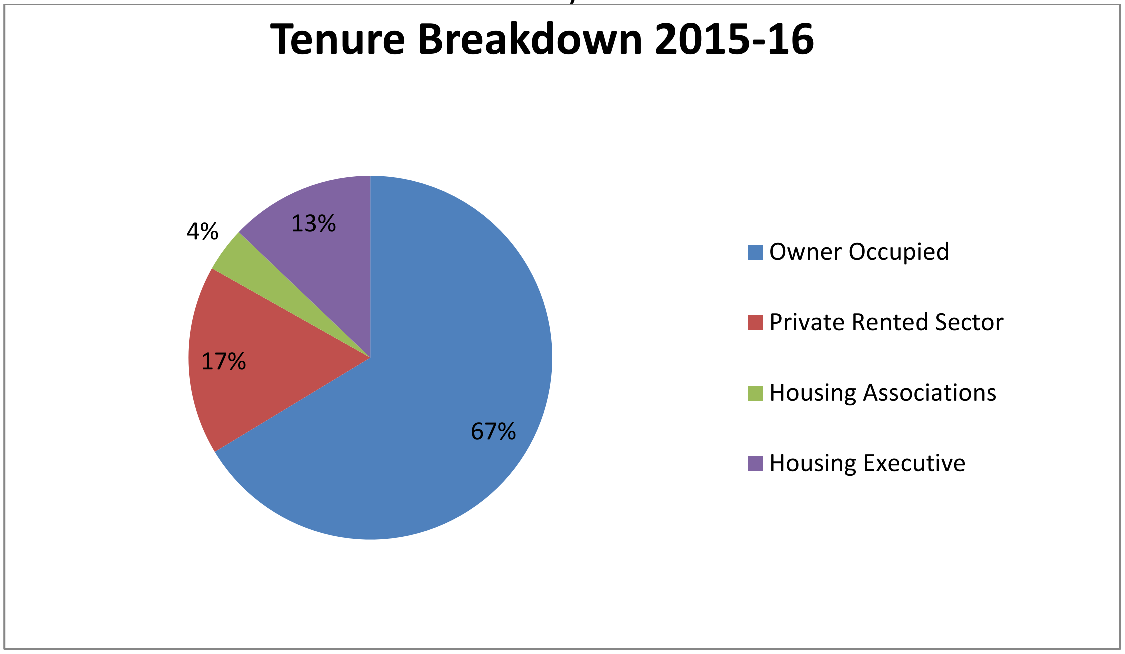
Table 1.3: Tenure Breakdown LCCC and Northern Ireland 1991-2011

Tenure	**Owner Occupation**		**Social Rental**		**Private Rental**		**Other ***	
	N. Ireland	LCCC	N. Ireland	LCCC	N. Ireland	LCCC	N. Ireland	LCCC
CENSUS								
1991	63%	64.9%	31%	31%	6%	3.6%	n/a	0.5%
2001	70%	73.7%	21%	21.3%	7%	2.7%	2%	2.3%
2011	68%	72.9%	15%	15.8%	15%	9.2%	2%	2.1%

Source: NISRA *Mostly other rental, including rent free.

Preliminary findings from the Northern Ireland House Condition Survey 2016 indicate that expansion of the PRS has continued since 2011, but at a lower rate than the five years to 2011. By 2016, there were an estimated 128,100 dwellings in the sector, 17.3% of the total housing stock. The survey also stated that 43% of households aged between 25-34 were housed within the PRS compared to 14% in 2004/5. Over the same period, the percentage of this group buying with a mortgage, decreased from 66% to 40%. The PRS has been seen therefore to grow mainly due to affordablility problems in accessing the owner occupied market.

Chart 1.1: Tenure Breakdown NI 2015/16



Source: DfC

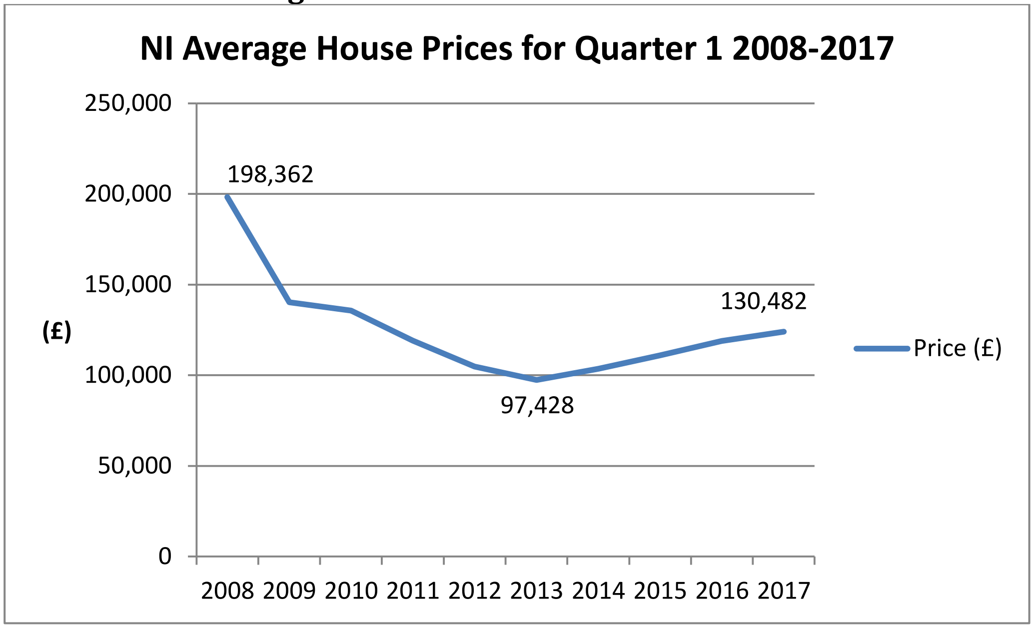
However, as affordability problems have eased slightly there has been an increase in the number of first time buyers entering the owner occupied market. This together with the increasing cost for landlords due to stamp duty and tax changes, might see the rate of PRS growth decrease and stabilise in future years.

Affordability and House Prices

In 2016, the Council of Mortgage Lenders (CML) described the Northern Ireland property market as the 'definitive example of 'boom-and-bust' in the UK. However, continued low interest rate environment, more readily available mortgage finance and stronger affordability levels, compared to the rest of the UK, mean that consumer confidence in the mortgage environment appears to be slowly improving.

Statistics from Land and Property Services (LPS) show steep house price falls, year on year, from 2007 to 2013. A standardised price of £224,670 at the height of the market, in Quarter 3 (Q3) of 2007 decreased by 57% to £97,428 at the lowest point, Q1 of 2013. Since this low point in 2013, house prices have been rising steadily, albeit at a fairly low rate, with average house prices now 34% higher. See Chart 1.2.

Chart 1.2: NI Average House Prices



Source: LPS https://www.finance-ni.gov.uk/articles/northern-ireland-house-price-index

The average house price for Northern Ireland is £130,482 for Quarter 4 (Q4) of 2017. This is an increase of 4.3% over a 12 month period. Prices for all house types increased over the last year, with terraces showing the highest rate of increase. This could be due to increased first time buyer activity, as terraces have the lowest average prices of all house types. This is illustrated in Table 1.3:

Table 1.4: Northern Ireland House Price Q4 2017 by Property Type

Property Type	Percentage Change on Previous Quarter	Percentage Change over 12 months	Standardised Price (Quarter 4 2017)
Detached	1.2%	4.2%	£195,710
Semi-Detached	0.0%	4.5%	£126,307
Terrace	1.6%	4.9%	£90,670
Apartment	2.7%	2.6%	£105,875
All	1.0%	4.3%	£130,482

Source: LPS https://www.finance-ni.gov.uk/articles/northern-ireland-house-price-index

In Lisburn & Castlereagh, the overall standardised house price in the fourth quarter of 2017 was £152,427, an increase of 2.6% compared to the fourth quarter of 2016.

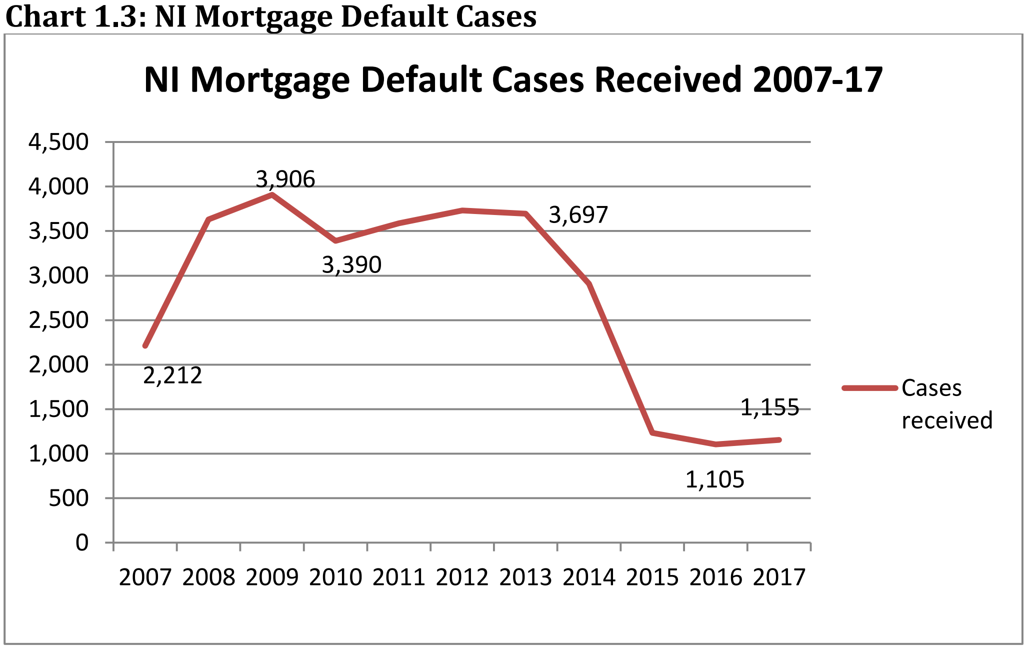
Market opinion with the majority of estate agents for the Lisburn and Castlereagh area found that the number of enquiries and sales had improved upon the previous quarter and any anticipated shock wave over the EU referendum has not materialised in the short term. Most agents expressed uncertainty over the long-term future of the local housing market.

NISRA report that median house prices, against median gross earnings show a ratio of 4.8% in 2017. This has risen each year, since 2013, after having fallen steeply from a ratio of 9.2% in 2007, when there were high levels of unaffordable housing across Northern Ireland. Currently, as the average house price in Northern Ireland is significantly lower than the UK average, the loan to income ratio is the lowest of the UK nations (Source: Council of Mortgage Lenders 2017). This means monthly repayments are generally more affordable for borrowers in Northern Ireland, than counterparts in Great Britain.

On average, first time buyers loan to value ratio was 85%, meaning an average deposit of approximately 15% was needed for those entering the owner occupied market for the first time. Loan to value rations averaged 89% for first time buyers in 2005, meaning that raising a deposit was more affordable at this time.

During the recession, as the housing market and economy weakened, affordabilty issues and difficulties in making repayments led to a rise in mortage default cases, as demonstrated in the chart below.

Chart 1.3: NI Mortgage Default Cases



Source: The Department of Justice, 2017

These cases relate to properties or land owned at least in part with a mortgage, where the owner has defaulted on their mortgage payments and the lender has initiated legal proceedings for an order of possession of the property. Not all of cases lead to eviction, possession or repossession, as the parties can still negotiate a compromise.

The Department of Justice states the main reasons for housing debt are:

- Change in circumstances such as job loss, reduction in working hours, sickness or relationship breakdown;
- Accessing high cost credit/mortgages from non-traditional lenders and securing it on their homes; and
- Over borrowing during the property boom.

However, as the housing market has improved since 2013, the number of mortage default cases has fallen significantly. The Department of Justice records that 1,155 cases were received Royal Courts of Justice, during 2017 compared to 1,105 for 2016. This represents an increase of 5%. There were 238 cases received during Quarter 4 of 2017 (October to December). This is similar to the same period in 2016 (239), and is the lowest volume of cases received during the October to December quarter since records began in 2007.

However, while afforability has improved, issues remain . CML reports that negative equity continues to be the most significant problem in the Northern Ireland housing market since the recession. The property debt company, Negative Equity NI, reported that in 2015 more than 60,000 homes were in negative equity. The mean average debt held by homeowners in Northern Ireland, in 2014 was £35,162, twice the UK average. It has also been confirmed by the Financial Services Authority at the height of the recession, that many of those who had taken out mortgages since 2005 were 'mortgage prisoners', unable to restructure their debt or to move to lower interest rate deals.

Increasing house prices may have eased the pressures of negative equity for a number of households, however given the high cost of housing and the level of lending at the height of the market, negative equity continues to be a significant drag on the housing system and home movers seeking to move to a bigger property. Of great concern to these home owners is rising inflation and the warning of interest rate rises by the Governor of the Bank of England. This will need to be managed with extreme care to ensure the housing system is not further impaired.

The future short term prospects for house prices are also unclear. While Ulster University's Economic Policy Centre expects prices to rise by 3% in 2017 and 2% in 2018, this contrasts with the view from PWC. In July 2017, PWC stated that due to a slow recovery of wages and disposable income in Northern Ireland, house prices are expected to slow to 1% in 2017 and no rise in 2018. However, both these predictions are lower than the 4.3% rise that occurred during 2017. In UK terms, two of the largest mortgage lenders, Halifax and Nationwide predict that annual price growth will slow in 2018 between 0% and 3%, and is expected to remain low in 2019.

It is also important to note, that affordability is not simply reflected in house prices, as there is a range of housing costs, including the cost of borrowing, council rate levels, and energy costs.

Ulster University House Price Index

Ulster University produces a Quarterly House Price Index for Northern Ireland. This index uses sub-regional geographies, which are not coterminous with the new Council boundaries or the Housing Executive's Housing Market Areas. Nevertheless, the Ulster University's Lisburn region generally is indicative of the Lisburn & Castlereagh City Council area.

Repayment affordability highlights the level of unaffordable stock, based on dwellings sold. The latest available Ulster University Affordability Index (2016), see Table 1.4 shows repayment affordability and includes an 'affordability gap'. The affordability gap is the difference between lower quartile house prices, and the maximum a median income household can borrow. A positive affordability gap indicates a surplus between the borrowing capacities of households, against lower quartile house prices. Therefore, houses are more affordable in areas with a high affordability gap.

The Ulster University's Affordability Index calculated that affordability improved across all regions of Northern Ireland in 2016, with the exception of Mid Ulster council area.

Table 1.5: Repayment Affordability

	2012		2013		2014		2015		2016	
	Aff Gap(£)	% Unaff	Aff Gap(£)	% Unaff	Aff Gap(£)	% Unaff	Aff Gap(£)	% Unaff	Aff Gap(£)	% Unaff
North Down & Ards	29,821	58%	42,860	46%	37,717	52%	34,411	51%	38,620	49%
Armagh & Craigavon	19,739	58%	17,358	55%	18,657	57%	3,812	73%	4,909	71%
Antrim & Newtownabbey	18,277	66%	14,633	63%	15,706	59%	14,425	63%	21,329	58%
Belfast	3,820	73%	7,817	68%	7,400	67%	-4,012	77%	-601	75%
Carrickfergus & Larne	63,691	25%	71,181	27%	67,140	25%	63,848	33%	82,935	23%
Derry, Strabane & Limavady	5,832	68%	20,281	60%	15,524	68%	24,661	52%	23,385	50%
Fermanagh & Omagh	50,949	27%	39,538	38%	36,342	38%	37,309	52%	41,927	43%
Newry, Down & Banbridge	16,408	63%	19,356	59%	18,370	62%	10,437	71%	16,860	66%
Lisburn & Castlereagh	**8,920**	**69%**	**13,351**	**66%**	**18,321**	**63%**	**8,937**	**69%**	**28,470**	**58%**
Magherafelt, Cookstown & Dungannon	19,461	58%	30,038	45%	30,867	45%	23,059	55%	16,552	58%
Moyle, Ballymena, Ballymoney & Coleraine	21,199	57%	23,538	51%	24,467	53%	18,084	60%	21,427	54%

Source: Ulster University, 2017

The deposit gap, see Table 1.5 below, looks at the ability to access the housing market in terms of the required deposit, or the Loan to Value ratio. This index assumes a household's ability to save 30% of its annual disposable income, and estimates a 'savings ratio'; the number of years it would take households to save for a deposit. As house prices have increased, the percentage of an income needed and the number of months needed to save for a deposit have increased. Increasing inflation rates, also mean household's disposable incomes have decreased. This measure illustrates continuing challenges for prospective homebuyers wishing to access owner occupation in Lisburn & Castlereagh City.

Table 1.6: Loan to Value Affordability

	2012		2013		2014		2015		2016	
	Income %	Savings Ratio	Income %	Savings Ratio	Income %	Savings Ratio	Income %	Savings Ratio	Income %	Savings Ratio
North Down & Ards	37.86	1.26	33.1	1.1	35.63	1.19	36.01	1.20	38.76	1.29
Armagh & Craigavon	37.23	1.24	38.92	1.3	38.57	1.29	46.37	1.55	49.42	1.65
Antrim & Newtownabbey	39.73	1.32	41.83	1.39	41.59	1.39	41.54	1.38	42.03	1.40
Belfast	46.95	1.57	44.41	1.48	44.87	1.5	50.91	1.70	52.48	1.75
Carrickfergus & Larne	24.55	0.82	22.16	0.74	24.71	0.82	25.87	0.86	23.30	0.78
Derry, Strabane & Limavady	45.81	1.53	36.98	1.23	40.28	1.34	34.47	1.15	39.08	1.30
Fermanagh & Omagh	25.34	0.84	31.12	1.04	33.26	1.11	32.50	1.08	34.49	1.15
Newry, Down & Banbridge	41.14	1.37	39.84	1.33	40.69	1.36	43.71	1.46	44.52	1.49
Lisburn & Castlereagh	**45.83**	**1.53**	**44.12**	**1.47**	**42.41**	**1.41**	**45.20**	**1.51**	**41.78**	**1.39**
Magherafelt, Cookstown & Dungannon	40.26	1.34	35.53	1.18	35.7	1.19	38.61	1.29	45.17	1.51
Moyle, Ballymena, Ballymoney & Coleraine	39.44	1.31	38.55	1.28	38.56	1.29	40.75	1.36	43.11	1.44

Source: Ulster University, 2017

The Ulster University combines these two aspects of affordability into a single relative measure called a Multiplier Weighting Ratio. The higher the ratio, the greater the affordability problem is in the area.

Table 1.7: Multiplier Weighting Ratio

	Multiplier weighting ratio 2013	Multiplier weighting ratio 2014	Multiplier weighting ratio 2015	Multiplier weighting ratio 2016	Variation 2015 - 2016
North Down & Ards	0.508	0.438	0.612	0.633	-0.021
Armagh & Craigavon	0.714	0.443	1.128	1.170	-0.042
Antrim & Newtownabbey	0.878	0.426	0.872	0.813	0.059
Belfast	1.007	0.448	1.307	1.312	-0.005
Carrickfergus & Larne	0.199	0.303	0.285	0.179	0.106
Derry, Strabane & Limavady	0.74	0.506	0.597	0.651	-0.054
Fermanagh & Omagh	0.394	0.343	0.563	0.494	0.069
Newry, Down & Banbridge	0.784	0.457	1.034	0.980	0.054
Lisburn & Castlereagh	**0.971**	**0.446**	**1.040**	**0.808**	**0.232**
Magherafelt, Cookstown & Dungannon	0.533	0.378	0.708	0.873	-0.165
Moyle, Ballymena, Ballymoney & Coleraine	0.655	0.412	0.815	0.776	0.039

Source: Ulster University, 2017

Transactions

Greater numbers of transactions also demonstrate an improving housing market. Between 2008 and 2011, the annual number of sales in Northern Ireland was approximately 11,000 each year. Between 2012-17, the number of transactions has increased, with 22,809 sales occuring during 2017.

In 2017, CML reported that the recovery in transactions was driven by an increase in the first time buyer activity. CML reported a high of 9,700 first time buyers in 2005, with numbers dropping significantly to 2,900 in 2008. However, since the recovery in the housing market there has been an increase in first time buyers to 8,000 in 2016, an increase of 7% from 2015.

New Build

Private sector house building has been increasing since 2013, demonstrating improved confidence in the housing market from private developers. However, while starts are increasing, they are still well below 2005 figures and are not reaching the requirement for new units, as set out in Housing Growth Indicators (HGI). Building work started on more than 1,800 new homes in Northern Ireland in the first quarter of 2017. That is up 16% on the same period last year. New build starts in Lisburn & Castlereagh have also increased in the past 3 years.

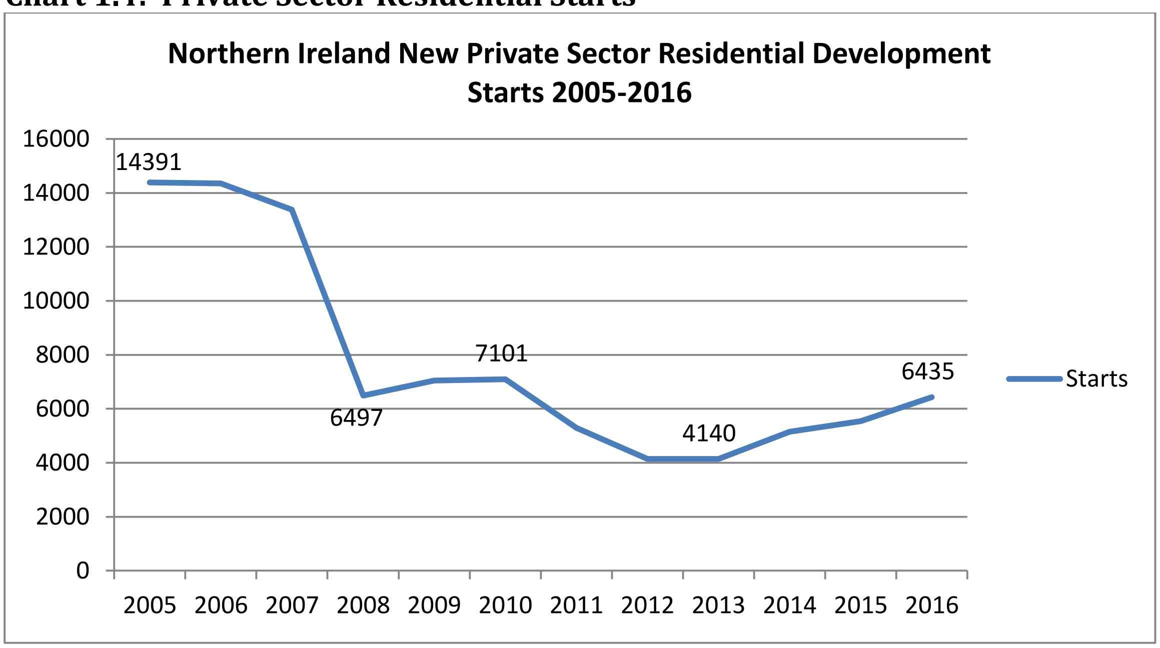
Table 1.8: New Build Starts all sectors

Year	N. Ireland	Lisburn & Castlereagh
2015/16	7,020	779
2016/17	7,727	963
2017/18 Q1 & Q2	4,167	478

Source: LPS 2017

Across Northern Ireland, completions have been at a lower level than the HGIs. New build completions are at 64% of HGIs, with 23,102 units built over a five year period (2012/13-2016/17). This means, to reach HGI levels by 2025, an additional 8,863 homes need to be constructed each year.

Chart 1.4: Private Sector Residential Starts



Source: https://www.finance-ni.gov.uk/publications/new-dwelling-statistics-report

Residential planning applications, while falling significantly from a high of 24,749, in 2005/6 have fallen to 7,795 in 2016/17. However, this is an 8% increase from 7,192 applications received in 2015/16. Excluding applications for domestic alterations and extensions, there were 4,941 planning applications in the last financial year, an increase of 16% from 2015/16. This indicates increased opportunity for new housing units, within the next five years.

Conclusions

While the housing market has improved over the last four years, structural issues remain that could adversely affect the economy and household finances in the near future. These include the rate of new build not meeting household growth, as determined by DFI's housing growth indicators, which could lead to house price inflation.

There are also continuing high levels of negative equity. While rising house prices mean more homeowners coming out of negative equity, higher levels of inflation and a consequent rise of interest rates could lead to higher housing costs and rising rates of repossessions.

Commentators forecast a slowdown in house price growth or stagnation within the Northern Ireland housing market over the next two years, and longer term forecasts for the UK housing market have also been cautious due to economic uncertainty, since the EU referendum. It will be important to closely monitor trends and developments across the housing sector in the next few years.

Section 2:
Housing Market Drivers

Economy

The housing sector both influences and is influenced by economic performance. The UN's New Urban Agenda notes the importance of the contribution of housing to economic development and in stimulating productivity. Housing enhances capital formation, income, employment generation and savings. In turn, economic conditions are a key driver within the housing market, affecting the rate of household formation, people's incomes, employment and access to finance, thereby determining their housing choices. The economy can also influence the availability of land for development and the cost of loans to invest in new building.

International and UK Economy

In January 2018, the World Bank forecasts global economic growth to edge up to 3.1 percent in 2018 after stronger-than-expected 2017 (3%), as the recovery in investment, manufacturing, and trade continues. The World Bank estimates that global economic growth will strengthen to 3.0% in 2019.

Growth in the Europe and Central Asia region is anticipated to ease to 2.9 % in 2018 from an estimated 3.7 % in 2017. Recovery is expected to continue in the east of the region, driven by commodity exporting economies, counterbalanced by a gradual slowdown in the western part as a result of moderating economic activity in the Euro Area.

In November 2017, the Office for Budget Responsibility (OBR) stated that they expected to see slower GDP growth, reflecting a change in its forecast for productivity growth. It has revised down its forecast for GDP growth by 0.5 percentage points to 1.5% for 2017, slow during 2018 and 2019, before rising to 1.6% in 2022.

Sterling depreciation in 2016, has led to increased inflation at 3% in December 2017. The Bank of England has said it estimates inflation peaked at the end of 2017 and will fall back to its target of 2% during 2018. The rate had been rising since the EU Referendum vote which has pushed up the cost of imported goods. Danske Bank reports that, in Northern Ireland, inflation has led to a fall in household confidence over the last 12 months.

Northern Ireland Economy

In Q3 of 2017, Danske Bank's Quarterly Sectoral Forecasts report, predicts that slow economic growth will continue in Northern Ireland, with the economy expected to grow by 1.2% this year and 1.0% in 2018. There is clear evidence that high inflation is subduing consumer spending growth and with businesses wary of investing in a climate of Brexit-related uncertainty, as well as the Government continuing with its programme of fiscal austerity, growth is likely to remain subdued over the next couple of years.

However, the weaker pound has supported an increase to net exports, with the year to Q4 2016, experiencing an increase of 20%. With a sustained weakened pound against the euro and the US dollar, continued export growth is expected.

At a sector level, private services are predicted as continuing to be the main drivers of growth. The information and communication sector is expected to be the fastest growing in Northern Ireland this year (4.4%), followed by the professional, scientific and technical sector (3.3%) and the administration and support sector (2.8%). The wholesale and retail trade sector is forecast to make the biggest contribution to overall GVA growth in 2017.

A weaker outlook for demand suggests that there will be a slight deterioration in the Northern Ireland labour market over the short-term. Employment levels are expected to fall by around 400 jobs in 2017, equivalent to a contraction of 0.1%. Job losses are expected to continue in 2018, with the further loss of around 1,000 jobs, given the uncertain economic conditions.

Danske Bank predicts that due to uncertainty over what access UK-based businesses will have to EU markets in the future, and when formal separation from the EU will take place, the outlook for investment-orientated sectors remains relatively weak. It is predicted this will cause businesses to postpone capital spending, damaging the manufacturing and construction sectors. The nature of the border with Republic of Ireland will also have an important influence on the Northern Ireland economy, as this is remains Northern Ireland’s biggest export market, with 30% of exports destined for the Republic of Ireland, in 2016.

Lisburn and Castlereagh Economy

Economic Performance

The Office of National Statistics reports, in Lisburn and Castlereagh, in 2015:

- GVA (Gross Value Added) was worth £2,437 million, approximately 8% of the Northern Ireland total.
- GVA per head was £17,385 in 2015, just below the NI average, and an increase of 53%, since 1997.

The GVA for main areas of economic activity in Lisburn and Castlereagh are set out in the table below:

Table 2.1: Lisburn and Castlereagh GVA by Economic Sector, 2015

Economic Sector	GVA £m
Agriculture & Forestry	6
Manufacturing	275
Construction	151
Distribution, Transport, Accommodation & Food	518
Business Services	223
Public Administration (including education and health)	792

Source: the Office of National Statistics

Table 2.1 shows that public sector is the most important economic sector in Lisburn and Castlereagh.

Employment Trends

The Department of Finance statistics for 2015 show economic activity in Lisburn and Castlereagh at 76.5% which is a higher rate than the Northern Ireland figure of 72.9%. The employment rate was also higher in Lisburn and Castlereagh at 72.1%, compared to the Northern Ireland average of 68.4%. Of those employed, full time employment was slightly higher in Lisburn and Castlereagh (80.2%), than in NI (76.6%). However, there is concern over increasing numbers of redundancies in recent years. There were 304 redundancies during 2016, an increase from the 193 redundancies during 2015.

Lisburn and Castlereagh had 1708 claimants, in 2016, at a rate of 1.9%, compared to the NI rate of 3.1%. Since 2015, there have been significant decreases in the claimant counts across NI, with 16.1%, fall in Northern Ireland, and a 13.3% decrease in Lisburn and Castlereagh. Of the claimant count in Lisburn and Castlereagh:

- 25.7% claimants were in the age group 18-24, although this had decreased by 21.6% since the previous year.
- 46.3% of claimants were considered long term unemployed (over 6 months). This was comparable to the Northern Ireland average of 53.9%.

Labour market structure

The Lisburn and Castlereagh job market is dominated by services, both public and private, with 84.3% of employees working in this sector, more than Northern Ireland as a whole (83.1%). The Table 2.2 shows the share of jobs across the main industries.

Table 2.2: Employees by subdivision, 2015

	Employee Jobs total	Full Time (%)	Part Time (%)	Ma (%)	Construction (%)	Services (%)
Lisburn & Castlereagh	54,092	80.2	19.8	9.5	5.2	84.3
Northern Ireland	717,105	76.6	23.4	11.2	4.4	83.1

Source: Department of Finance

The Standard Industrial Classification of Economic Activities employee statistics, which are summarised in Table 2.3, below, indicate that in Lisburn and Castlereagh, the highest proportion of employees, in 2015, worked in Health and Social Work followed by wholesale, retail and repairs.

Changes to the employee share by industry, in Lisburn and Castlereagh, since the lowest part of the recession in 2013, show a decrease of 12.3% in admin and support jobs, as well as, smaller decreases in real estate, public admin and defence and arts, entertainment and recreation. However, there have been increases in information and communication, education and health and social work.

Table 2.3: Employee Share by Industry 2015

Standard Industrial Classification (SIC07)	**Northern Ireland**		**Lisburn & Castlereagh**	
Industrial group	**No.**	**%**	**No.**	**%**
All Industries	717,105	100.0%	54,092	100.0%
Other	9,955	1.4%	539	1.0%
Manufacturing	80,013	11.2%	5,141	9.5%
Construction	31,406	4.4%	2,813	5.2%
Wh'sale & Retail Trade; Repairs	125,216	17.5%	11,168	20.6%
Transport & Storage	25,684	3.6%	1,118	2.1%
Accommodation & Food	45,770	6.4%	2,830	5.2%
Information & Communication	19,131	2.7%	764	1.4%
Financial and Insurance	17,903	2.5%	635	1.2%
Real Estate	6,638	0.9%	277	0.5%
Professional, Scientific & Tech	28,500	4.0%	2,136	3.9%
Admin and Support	51,288	7.2%	3,378	6.2%
Public Admin. & Defence	53,228	7.4%	4,669	8.6%
Education	69,467	9.7%	3,814	7.1%
Health & Social Work	123,372	17.2%	12,463	23.0%
Arts, Entertainment & Rec	14,429	2.0%	1,258	2.3%
Other Service Activities	15,105	2.1%	1,089	2.0%
All Services	595,731	83.1%	45,599	84.3%

Source: Department of Finance

Incomes and Earnings

NINIS shows that in 2016 Lisburn and Castlereagh ranked 6 out of 11 local councils for gross weekly pay. The full time median wage was the 3rd highest across all council areas in Northern Ireland.

Table 2.4: Gross Weekly Pay

	Median Wage 2013 (£)	Median Wage 2016 (£)	Change (£)
All	323.0	367.3	44.3
Full Time	429.9	488.3	58.4
Part Time	149.5	160.4	10.9

Source: NINIS

LCCC Economic Priorities

The Lisburn and Castlereagh Community Plan seek to implement a shared vision for promoting social, economic and environmental well-being for everyone who lives and works in Lisburn and Castlereagh. One of the five proposed outcomes of the Community Plan is that everyone benefits from a vibrant economy.

The Council and community planning partners want to 'develop the economy of Lisburn and Castlereagh so that it offers work to everyone, provides access to goods and services that we value and shares economic benefits in ways that reduce inequality and has a positive impact on our environment.'

The Community Plan states that a skilled workforce is central to the health of the economy as businesses increasingly need well qualified people. For employees, the acquisition of new skills can open up new opportunities. The Plan recognises the need to improve both physical and digital infrastructure and to make the district an attractive one for new businesses to locate in and for existing businesses to grow.

The Plan identifies 5 supporting outcomes under the Strong and Sustainable Economy and Growth theme:

a. Income inequality is reduced.
b. The local workforce is equipped with the right skills to secure employment and/or start a business.
c. New businesses and social enterprises are created and existing ones grow, employing more people.
d. There is growth in tourism based on our natural and historic assets with a focus on international visitors.
e. The transport and digital infrastructure supports the economy and people.

In order to achieve this, the following actions are proposed:

- Develop a programme to identify and support people with level 1 and 2 qualifications to achieve level 3 and above;
- Prepare for the opening of Hillsborough Castle to attract visitors to a range of historic and natural attractions in Lisburn and Castlereagh;
- Deliver the 'NI Business Start Up Programme' to support new business starts;
- Develop opportunities for new social enterprises based on green spaces and health for the benefit of young people;
- Develop key infrastructure projects including the Knockmore- M1 link and Maze Long Kesh;
- Explore the use of social clauses and local sourcing in contracts issued by community planning partners to support the Community Plan's outcomes;
- Improve access to and quality of digital infrastructure across the area.

Indicators used to measure progress will include economic activity rate, employment rate and number of overnight trips.

Future Prospects

There are a number of risks, which could have implications for the Northern Ireland and the Lisburn and Castlereagh economy. These include political instability, further austerity and a larger than expected impact of the UK leaving the EU, on consumer spending and business investment. For a number of businesses across Northern Ireland the loss of access to the EU single market and potential future barriers to cross-border trade are major concerns. Furthermore, there is uncertainty over the impact of the UK's exit from the European Union on agricultural subsidies, for business, on structural funds and future community and economic investment.

For rural areas it will be important that the effect of policy decisions, regarding the withdrawal of the UK from the EU, such as those on EU trade, regulations, funding and migrant labour are rural proofed to ensure that they meet rural needs. Key grant funds for rural businesses and projects will cease after exiting the EU, with potentially severe consequences for the rural economy in Lisburn and Castlereagh.

The economy shows an improving picture from 2013 to date, and while it could be considered to be returning to long term trends, it is not certain how sustainable this will be in light of the changing political climate.

It is important to note that the economy and the housing market are cyclical and intertwined. Economic performance, income levels, and the structure of employment are important contributing factors in the mix and tenure of housing required. A growth of professional and higher paid jobs may increase demand for family housing, while service and customer care posts may attract younger, single people seeking smaller and lower value dwellings.

Demographic Trends

The population and demographic profile of an area is a key determinant in the number and type of housing demand. This section examines population and household projections and trends to identify how these could affect housing requirements in Lisburn & Castlereagh City Council.

Population Trends and Projections

Table 2.5 shows population change for Lisburn & Castlereagh City Council (LCCC) from the 2001 and 2011 censuses. Over this period, the population of LCCC increased by 10%. However with the reorganisation of the council boundaries throughout Northern Ireland, Lisburn & Castlereagh City Council area has increased to over 20% of the 2001 figure.

Table 2.5: Population 2001 to 2011

	2001	2011	Change 2001-11 (%)
LCCC	109,309	120,486	10%
Northern Ireland	1,685,300	1,810,900	7%

Source: NISRA

Table 2.6 below provides a more reflective estimate of Lisburn & Castlereagh population by 2025with an overall increase in the total population of around 17%. Children and older people are expected to increase by over 20%. This puts a demand on provision of houses to meet the family makeup. The housing mix requirement will be an increase of 2 bed family houses along with specific accommodation suited to the needs of the older generation.

Table 2.6: Population Statistics

	Mid-year estimate 2005	Mid-year estimate 2015	Projected 2025
Children	26,795 (21.1%)	28,053 (20.0%)	29,383 (19.3%)
Working age	82,156 (64.7%)	88,513 (63.1%)	92,436 (60.7%)
Older People	18,092 (14.2%)	23,639 (16.9%)	30,425 (20.0%)
Total Population	127,043	140,205	152,244
Households	-	54,868	60,395
Average Household Size	-	2.51	2.48

Source: NISRA

Minority Ethnic Communities

It is difficult to measure migrant population flows due to the freedom of movement accorded to EU citizens. Data sources, that are most frequently used, to compile estimates of migration flows include the Census, National Insurance number allocations to non-UK nationals and the number of births to foreign-born mothers.

The 2001 Census indicated that 99.2% of the NI population consider themselves white (non-traveller) compared to 92% of the UK. The largest minority ethnic countries in NI, at this time, were Chinese, Irish Traveller and Indian. Around 40% of the 14,271 people that belonged to a minority ethnic community had been born in Northern Ireland with 11% from the UK and ROI and 48% had been born overseas.

However, since the EU expansion in 2004, there was a sharp increase in the number of people born in Eastern Europe. In 2011, the most frequent languages spoken as a main language, within Belfast other than English or Irish, include Polish, Lithuanian and Hungarian. The Census, National Insurance numbers and births to mothers born outside Northern Ireland, show increased numbers of migrants after 2001, who have had an effect on the Belfast housing market.

The 2011 Census identified the 'white' ethnic group as 98.2% of the population in Lisburn and 97.1% in Castlereagh. The total percentage of people from a minority ethnic group in Lisburn was 1.72% and 2.94% in Castlereagh. Chinese were the largest minority ethnic group in Castlereagh and Indian in Lisburn.

Main types of passports held other than UK, Republic of Ireland or no passport includes EU countries (39,527 or 2.2% of the population), Middle East and Asia (9,189 or 0.5% of the population) and North America and Caribbean (5,989 or 0.3% of the population).

The majority of migrants are living in private rented accommodation as they are able to access accommodation more quickly in their area of choice, normally close to the main sources of employment. Also many want to be in furnished accommodation.

Research has shown that 76% of migrant workers resided in privately rented accommodation; only 3% lived in Housing Executive accommodation and 5% in Housing Association accommodation.

As the status of EU nationals after the UK leaves the EU is still to be agreed, it is unclear what effect this may have on those migrants currently living in Belfast. While it may be unlikely that EU nationals may be compelled to leave, it could reduce the number of external migrants moving into the area (depending on outcome of negotiations). This could mean that future components of population change could be more influenced by natural change or out migration.

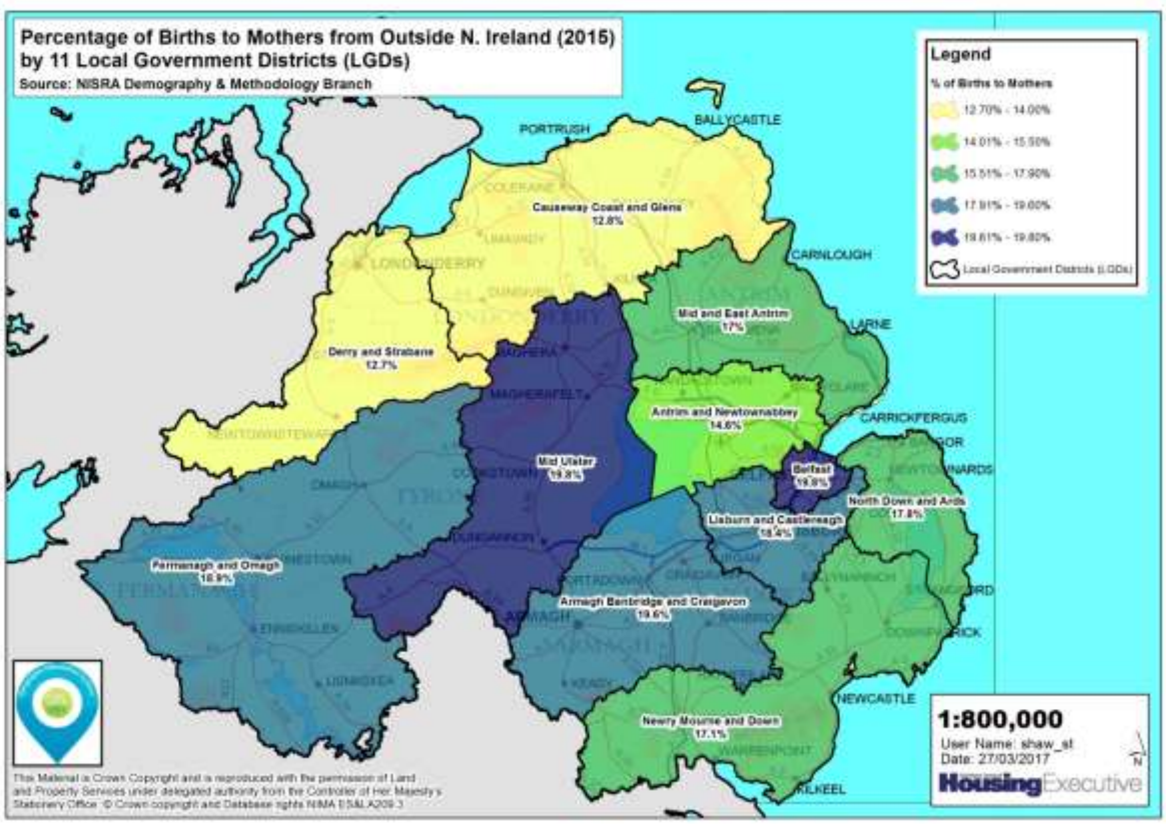
Table 2.7: Place of Birth of Residents of Lisburn & Castlereagh 2011 Census

Place of Birth	Number of Residents
Northern Ireland	121,731
UK	7,657
Republic of Ireland	2,005
Europe (outside of UK & ROI)	2,650
Africa	575
Middle East	113
Asia	1,692
North America / Carribean	547
Central and South America	97
Oceania	236
All Usual Residents	**137,303**

Source: NISRA

The above table shows the place of birth for people resident in the Lisburn & Castlereagh LGD. Of the 137,303 people resident in Lisburn & Castlereagh LGD, 5,910 were born outside the UK or Ireland. This represents 4.3% of the population, which is slightly below the Northern Ireland average of 4.5%.

Map 2: Births to Mothers from Outside NI (2015)



Source: NISRA

Map 2 above shows that just over 18% of births in Lisburn & Castlereagh are from mothers born outside NI, and has contributed to the population growth in the council area. It is likely these family households have settled in the area and have examined their housing choices further, including the tenure of home that best suits their needs.

Household trends

The long-term trend towards the formation of smaller and single person households have ensured that household growth has occurred across Northern Ireland. The increase in single person households throughout the UK reflects a mix of factors. These include higher divorce rates and higher numbers of adults delaying marriage and child bearing until they are in their 30s. However, the factor that has become of most significance is older people that outlive their partners continue to live alone for a much longer time.

Table 2.8: Household Trends 2001-2011

	2001	2011	Change 2001-2011	
			Number	%
LCCC	47,384	52,648	5,264	11.1
Northern Ireland	628,490	703,275	74,785	11.9

Source: NISRA

Household figures, summarised in Table 2.8, suggest that from 2001 to 2011:

- The number of households in Lisburn & Castlereagh City Council area increased by 11%, which is below the Northern Ireland rate of 11.9%;
- The 2011 census shows that 25.9% of Lisburn & Castlereagh City households were 1 person and 32.7% of households were 2 person;
- The average household size in Lisburn & Castlereagh City Council was 2.52.

Household projections

Future household trends are more sensitive to economic, housing market and policy changes than future population trends. As a result, household projections are subject to a greater degree of uncertainty than population projections.

NISRA issued 2012-based household projections to 2037, which are summarised in Table 2.9. This shows that 65,997 households may be living in Lisburn & Castlereagh by 2037, which is a 17% increase over the term 2017-2037.

Table 2.9 Household projections 2017-2037

LGD2014	Total households 2017	Total households 2027	Total households 2037	Change 2017-2037
Northern Ireland	730,299	777,590	812,650	11.3%
Lisburn & Castlereagh	55,909	61,514	65,997	17%

Source: NISRA

Table 2.10 shows household projections for Lisburn & Castlereagh City Council area. It shows that household growth will be driven by an increase in two person and single person households and the rate of growth is projected to be similar to the Northern Ireland total. It also shows that the number of households with children will maintain their current levels with only a 0.5% increase anticipated to 2037. It should be noted that household projections are calculated in a policy neutral environment.

Table 2.10: Household projections by household type 2017-2037

	2017	2037	Change 2017-37	
			Number	% Var.
Northern Ireland				
Single person households	204,202	240,225	36,023	18
Two adults without children	200,014	248,093	48,079	24
Other households with no children	109,502	120,365	10,863	10
Lone adult with children	43,214	43,492	278	1
Other households with children	170,367	160,475	-9,892	-6
All households	730,299	812,650	82,351	11
Lisburn & Castlereagh				
Single person households	14,650	17,940	3,290	18.4
Two adults without children	17,531	22,836	5,305	24
Other households with no children	8,004	9,238	1,234	14
Lone adult with children	2,456	2,468	12	0.5
Other households with children	13,460	13,515	55	0.5
All households	55,909	65,997	10,008	15

Source: NISRA

Table 2.11 below shows the current housing by type in Lisburn & Castlereagh City Council area at April 2017. While the number of bedrooms spaces cannot readily be identified, it could be assumed that units with fewer bedrooms are made up of apartments and terrace properties. Using this assumption, the current proportion of smaller properties is 32% of all stock. We can also calculate that smaller households (single households and two adults, without children), currently make up 57% of all households. By 2037, it is projected that small households will make up 62% of the population. Consequently, smaller size, new build houses in Lisburn & Castlereagh City, across all tenures, will be required to meet future household need.

Table 2.11: Lisburn & Castlereagh City Dwellings by Type 2017

	Apartment	Detached	Semi detached	Terrace	Total
Number	5,538	22,264	17,707	13,419	58,928
Percentage	9%	38%	30%	23%	100%

Source: LPS

Future Prospects

Lisburn & Castlereagh's older person population is expected to be 20% of the total population by 2025: this along with anticipated health problems associated with old age could require that household needs of those with a disability or mobility problems will need to be addressed through policies in planning, housing and social service sectors. This could lead to an increased demand for wheelchair, adapted, and Lifetime Home properties. An increased demand for accessible housing is becoming apparent and is dealt with in the chapter on Accessible Housing later in the report.

The increase in smaller households would suggest that the housing needs of people could be met through an increased supply of smaller units. Apartments and terrace house types are expected to remain the most popular house type due mainly to household makeup and high market value of larger properties.

Since the EU referendum there is uncertainty regarding status of EU migrants. Monitoring will be required to determine how many EU nationals will return home or remain and to what extent EU migration will be allowed after the UK leaves the EU.

Regeneration

Regeneration can be defined as activities that reverse economic, social and physical decline in areas where market forces will not do this without the support of government. To continue to build vibrant and welcoming places within Lisburn and Castlereagh it will be important that local communities are involved in decision making in their neighbourhoods, to identify priorities and plan solutions.

There are a number of facilitators of regeneration in Lisburn and Castlereagh which include:

Lisburn Masterplan

The former Lisburn City Council worked in partnership with the Department for Social Development to produce the Lisburn City Centre Masterplan which was launched in September 2010.

The City Centre Masterplan aims to transform the physical, social and economic fabric of the city and ensure that Lisburn is able to compete with other major towns and cities while maintaining its distinctiveness and environmental heritage for generations to come.

The masterplan provides:

- A series of regeneration objectives to guide development;
- A spatial plan to help guide appropriate development to the right locations where is will have the greatest impact;
- A series of strategic projects that are pivotal to the success and competitiveness of the City Centre in the future; and
- Design principles to guide development and ensure that the highest standards of design quality are achieved in all development.

In support of the Masterplan, a detailed Transport Study was commissioned looking at the impact of new developments on the transport system and road network across the City. The transport study was jointly funded by the Department for Social Development and Lisburn City Council.

A number of priority projects, identified through the masterplan, have been implemented and are currently progressing through the work of the Councils Regeneration team.

Since the launch of the Masterplan, the Council's Regeneration team has been working to develop and progress an initial portfolio of priority projects which include the City Centre Public Realm improvements; Laganbank Quarter Development Scheme and identifying Car Park Development Opportunity Sites.

Laganbank Quarter Development Scheme

Lisburn & Castlereagh City Council is currently developing proposals to regenerate the area known as the Laganbank Quarter. The City Centre Masterplan identified a series of preferred areas for development, lying within the City Centre and close to the main shopping streets. These areas include existing DRD car parks, public and private sector land and existing buildings.

Linking closely with the proposed development sites identified within the 2010 masterplan; Lisburn & Castlereagh City Council and the Regional Development Office produced a series of proposals for the Laganbank Quarter area of Lisburn City Centre in the form of a Development Scheme. The purpose of the proposal is to secure a comprehensive, major mixed-use scheme, which will regenerate the Laganbank Quarter, enhance the City Centre's regional role, integrate with the surrounding urban fabric and strengthen links with the River Lagan.

Lisburn Historic Quarter

In 2011 a new strategy for Lisburn Historic Quarter was developed overarching the period 2011-2021. The strategy fits within the vision of the Lisburn City Centre Masterplan, promoting Lisburn as 'a regional city with a historic heart'.

Heritage led regeneration is driving the sustainable economic development of the Historic Quarter.

West Lisburn Development Framework

The vision for the West Lisburn area is:

> *'To realise the potential of the West Lisburn area by 2035 through setting a framework that recognises and promotes the regionally significant features contained therein and connects these features in a sustainable manner that will promote social and economic growth and prosperity for the entire region.'*

The West Lisburn Development Framework covers the period from 2015 up to 2035. The framework vision is to utilise and promote resources in the West Lisburn area, for the benefit of all. The area includes regionally significant and strategically important sites such as the Maze/Long Kesh lands, Sprucefield Shopping Centre and Retail Park, Knockmore/Lissue, Blaris lands and Down Royal Racecourse. It also includes natural resources such as the River Lagan, valuable landscapes and high quality agricultural land. The plan sets out how best to develop, promote and protect these key assets and establish a logical and robust framework that will unlock the potential of these key features in a sustainable manner, to the benefit of the greater Lisburn area and the wider region.

Maze

The Maze/Long Kesh site has significant potential for economic and social regeneration. Spanning 247 acres, it is the largest development site of its kind under single ownership in Northern Ireland and enjoys a pivotal position within the wider West Lisburn development context.

The Maze/Long Kesh Development Corporation was launched in 2013 with a vision to see the site transformed into a landmark development of local, regional and international significance, delivering social and economic value whilst creating an exemplar model for societies emerging from conflict.

The West Lisburn Development Framework has enhanced the opportunity for the site to be the catalyst for development of the surrounding area.

Lagan Corridor Programme

The Lagan Corridor Programme seeks to ensure the development of the Lagan Corridor, by utilising the river and its adjacent lands, in a sensitive, practical and co-ordinated approach. This is a long-term programme involving Lisburn & Castlereagh City Council working in partnership with statutory bodies, businesses and local residents, all of which are committed to bringing the river back to life. The Council's aim is to enhance the Lagan Corridor, develop a thriving area with a commercial, social and recreational vibrancy that meets the expectations of local residents and attracts visitors to the area.

Castlereagh Urban Integrated Development Framework

In March 2013, the Department for Social Development and Castlereagh Borough Council commissioned the preparation of the Castlereagh Urban Integrated Development Framework (CUIDF).

The project focusses on three main urban centres within the borough of Castlereagh-Carryduff, Forestside and Dundonald. The CUIDF set out a long term, high level vision for these areas over a 20 year period. It proposes a range of short, medium and longer term projects in partnership with a range of partners from the private and public sector; government departments and agencies; and the community and voluntary sector. Proposals aim to deliver economic, social and environmental benefits making the urban area of Castlereagh a progressive and confident place in which to invest and to improve the quality of life for those who live there.

Rural Village Regeneration

During the period 2011-2015 Lisburn and Castlereagh Council areas benefitted from funding from the Northern Ireland Rural Development Programme.

Five village communities within the area produced and developed Strategic Vision and Action Plans. These action plans form the basis of a fifteen year vision for each community as a guide to develop regeneration projects that will improve the social and economic future of the villages involved. A number of these action plans have now been successfully implemented with projects such as environmental improvement works, the development of playparks, community gardens and the renovation of community facilities.

A local rural development strategy has been completed and submitted to the Department of Agriculture and Rural Development under the Northern Ireland Rural Development Programme 2014-2020.

Role of NIHE in regeneration

NIHE plays an important role in encouraging regeneration, both through the use of land within its ownership and its powers to buy and sell land.

Urban regeneration is directly facilitated by NIHE through measures including: stock investment programmes, the promotion of grants, delivering neighbourhood-based services and community development and promoting tenure diversity and mixed communities through the House Sales Scheme and land releases.

New housing development can trigger wider physical and social regeneration in the area around them, as they provide a focus for other initiatives concerning environmental improvements, health and welfare, community development, community cohesion and community safety.

NIHE has the authority to give land to new social, private and community self-build housing schemes; it can also use the land and property within its ownership to help community enterprise schemes, community facilities and social economy projects. Town and city centre regeneration is also encouraged by promoting town centre living.

The Housing Executive aims to ensure that new social and affordable housing promotes shared space and shared living and that residential development should be inclusive and should offer choice by ensuring a mix of housing tenures including affordable housing to buy or rent as part of larger developments.

NIHE also plays a major role in delivering regeneration initiatives in partnership or on behalf of other agencies. It is involved in over 400 regeneration partnerships across Northern Ireland.

The Housing Executive has supported community based regeneration by implementing estate-based strategies in several estates and by providing premises or land for community groups, facilities and enterprise projects.

Empty Homes

The Regional Development Strategy states, 'Planning authorities should take account of existing vacant housing in any assessment of housing need'.

DFI's 2012 Housing Growth Indicators methodology paper estimates that there are 3,500 empty properties in Lisburn and Castlereagh. This figure was derived from the Housing Executive's House Condition Survey 2011, with reference to the 2011 Census and the Central Survey Unit's combined survey sample 2013-14. As this figure has been included within the calculation for setting the Housing Growth Indicators to 2025, the LDP can be seen to take account of vacant housing in the assessment of the requirement for new housing, at a council level.

While an overall figure for the council area has been calculated, it is still useful to try to identify any concentrations at local geographies. There is difficulty in getting up to date local information since Land and Property Services (LPS), previously the Rates Collection Agency, started to collect rates for empty properties. Before 2012, the Rates Collection Agency / LPS recorded empty properties, which were exempt from a rate payment. However, figures from Rates Collection Agency/LPS over a 15 year period from 1998 to 2012, can provide an indication of long term localised trends and locations of empty properties across Lisburn and Castlereagh.

Using the Rates Collection Agency/LPS information, localised concentrations of empty homes have been identified by calculating the proportion of vacant housing stock, compared to the total housing stock in each ward, and by looking at the number of vacant properties in each ward. The wards of Ballinderry and Glenavy have recorded the highest concentrations of empty homes over this 15 year period. In 2012, 6% of the housing stock in these wards were recorded at being empty. These wards are relatively rural.

Low concentrations of empty homes have been recorded in wards including Ballymacash, Collin Glen and Poleglass. These wards demonstrate high concentrations of social housing.

Similar to second homes, vacant units are accounted for in the Housing Growth Indicator calculation, meaning they should be taken into account within planning policy. Higher proportions of vacant homes are recorded in wards which have high percantages of private rented housing and HMO's. This may be a reflection of limitations of data collection. The Department for Communities are currently reviewing their Empty Homes Strategy.

Accessible Housing

Adequate housing is a human right, essential to human dignity, security and wellbeing. Housing is considered inadequate if the specific needs of disadvantaged and marginalized groups are not taken into account. Section 75 of the Northern Ireland Act 1998 requires public authorities, in carrying out their functions, to have due regard to the need to promote equality of opportunity between nine equality categories, including persons with a disability. In addition, the new draft Northern Ireland Programme for Government's Delivery Plan, October 2016, states there should be more accessible homes for wheelchair users within the private rented and owner occupied sectors.

Wheelchair Housing

Many households in Lisburn & Castlereagh already require accessible or adapted housing in order to lead dignified and independent lives. Between October 2016 and September 2017 there were 111 new wheelchair users registered from within the Lisburn & Castlereagh Council area. This is in line with previous trends for new wheelchair registrations in the area.

Of the 248 new and existing registered between October 2016 and September 2017 wheelchair household's in Lisburn & Castlereagh identified during the same period, approximately 40 (16%) would consider moving to somewhere more suitable to cope with a disability. Of all wheelchair users in the district, 166 described their accommodation as wheelchair accessible; half of these where Housing Association /Housing Executive or residential dwellings. The statistics record that approximately 33% of wheelchair users living in unsuitable accommodation.

More people in Lisburn & Castlereagh are living longer and increasing numbers of older people are choosing to remain in their own homes rather than move into residential institutions. It is recognised that developing new homes to wheelchair standard is significantly cheaper and more effective than providing adaptations to existing unsuitable properties.

Housing Associations in Northern Ireland already cater for identified wheelchair need in their social housing planning applications. However, demand from wheelchair users who wish to remain in their own homes, or rent privately, cannot readily be met, as there is no requirement for market housing to provide wheelchair home standards.

The strategic data from the Regional Disability Service has confirmed that a significant majority of wheelchair users in Lisburn and Castlereagh are assisted wheelchair users (75%), who with their carers need enhanced space standards in relation to independent wheelchair users. It is therefore logical to design new housing to assisted wheelchair housing standards to accommodate changing needs over the lifetime of the service user and changing tenancies over the lifecycle of the home. Following the successful implementation of the toolkit for the housing adaptations programme, assisted wheelchair user standards were incorporated in the revised design standards for new build wheelchair standard housing. New standards for new build wheelchair housing were approved by the Department for Communities Minister in March 2016 and became mandatory for Social Housing in April 2017 and can be accessed at - https://www.communities-ni.gov.uk/sites/default/files/publications/communities/hagds-annex-a-specific-wheelchair-housing-design-standards.pdf.

Wheelchair accessible housing will allow older and disabled people to feel safe and secure, and to be fully integrated within the residential community.

Lifetime Homes

Lifetime Home standards were developed to ensure that homes are accessible and inclusive, to support the changing needs of individuals and families at different stages of life. Lifetime Homes are flexible, designed to create better living environments for everyone, from raising children, to coping with illness or dealing with reduced mobility in later life, allowing people to live independently for longer in their own homes.

The development of homes to Lifetime Homes standards is especially important in the context of an aging population and can prevent the need for costly and disruptive adaptations whilst providing more suitable accommodation. Any additional cost of delivering Lifetime Homes standard housing is minimal, and is often a requirement for all new housing in development plans in Great Britain. Currently all new social housing in Northern Ireland is built to lifetime home standards. Experience has shown these new lifetime properties require a lower rate of adaptations than standard housing to accommodate residents with mobility problems.

Section 3:
Tenures

Owner Occupation

This chapter considers the characteristics and dynamics of the owner occupied sector of the Lisburn and Castlereagh HMA, including recent housing supply and price trends.

The LCCC housing market in 2011 was dominated by the owner occupied sector at a rate of 75.8% compared to the Northern Ireland average of 67.5%. This had increased substantially from 2001 in Lisburn while it declined slightly in the Castlereagh area. Northern Ireland saw a 2% decline in home ownership in the same period. The social housing sector makes up 15.8% of the LCCC housing market compared to the Northern Ireland average of 15%.

The private rented sector has increased rapidly in the past 15 years as a result of fundamental changes in the overall housing market in the city. This is dealt with in more detail in the chapter on Private Rental. The tenure patterns in both Northern Ireland and Lisburn & Castlereagh are set out in Table 3.1 below.

As LCCC is projected to have an increasing proportion of Northern Ireland's population rising from 7.5% to 8.1% in 2037. Much of this growth will be concentrated in the 65 plus age group and whilst the need for small family accommodation remains strong, there will be a requirement to design and construct suitable accommodation for older persons across all tenures.

Due to Lisburn and Castlereagh's popular location and growing population, there is a need for additional housing across all tenures.

Table 3.1: Tenure Breakdown LCCC and Northern Ireland 1991-2011

Tenure	**Owner Occupation**		**Social Rental**		**Private Rental**		**Other ***	
	N. Ireland	LCCC	**N. Ireland**	**LCCC**	N. Ireland	LCCC	N. Ireland	LCCC
CENSUS								
1991	63%	64.9%	**31%**	**31%**	6%	3.6%	n/a	0.5%
2001	70%	73.7%	**21%**	**21.3%**	7%	2.7%	2%	2.3%
2011	68%	72.9%	**15%**	**15.8%**	15%	9.2%	2%	2.1%

Source: 2011 Census

In Northern Ireland as a whole, owner occupation, reduced from 69.6% in 2001 to 67.5% in 2011. Commentators have stated that the reduction has been due to affordability problems, especially for potential first time buyers, who have sought entry to the private rented market or remained in the parental home. This is supported by evidence from the 2011 Census on household reference persons' (HRP) age by tenure and shows that owner occupation is more predominant in households with an older head of household, than households, which have a younger HRP. Where the HRP of a household was 34 or under, 43% were owner-occupiers, compared to 78% of those aged 45 and above. In households with a HRP of age 34, or younger, 45% lived in the private rented sector and 12% lived in social housing, suggesting owner occupation is less accessible for younger people.

The 2011 census indicated that 75.8% of households in Lisburn and Castlereagh were living in the owner occupied sector, which is significantly higher than the Northern Ireland proportion of 67.5%. The level of owner occupation varies throughout Lisburn and Castlereagh. Table 3.11 lists the percentage of owner-occupied housing within each Lisburn and Castlereagh ward.

Table 3:2: LCCC Wards and percentage of owner-occupied housing

0 > 40%		40% > 50%		50% > 60%		60% > 70%		70% > 80%		80% > 90 %		90%+	
Collin Glen	34.73	Cregagh	46.21	Hilden	52.39	Poleglass	60.5	Derryaghy	70.55	Wynchurch	80	Ballymacbrennan	90.07
Old Warren	35.18			Lagan Valley	52.39	Lambeg	63.67	Ballymacoss	70.74	Maze	80.55	Hillfoot	91.52
				Twinbrook	53.05	Kilwee	64.15	Downshire	73.81	Wallace Park	81.25	Gilnahirk	92.16
				Tullycarnet	53.5	Knockmore	65.41	Lisnasharragh	74.16	Harmony Hill	81.45		
				Grahams Bridge	54.67	Lower Braniel	65.45	Blaris	75.09	Carryduff East	82.54		
				Minnowburn	55.31	Beechill	67.76	Carrowreagh	76.26	Hillsborough	82.92		
				Tonagh	56.39			Newtownbreda	76.3	Galwally	83.79		
				Seymour Hill	57.12			Magheralave	76.56	Drumbo	84.94		
				Enler	58.13			Dunmurry	76.85	Lisnagarvy	86.04		
				Hillhall	59.55			Dundonald	77.69	Dromara	86.22		
								Moira	78.11	Ballymacash	86.34		
								Upper Braniel	78.99	Moneyreagh	86.75		
										Ballinderry	86.97		
										Carryduff West	87.39		
										Ballyhanwood	87.7		
										Knockbracken	88.09		
										Glenavy	88.3		
										Cairnshill	89.72		
										Maghaberry	89.86		

Source: NISRA, 2011 Census

The vast majority of wards have greater than 50% owner occupied housing, with only the only wards of Colin Glen, Old Warren and Cregagh being less. These are wards with a high percentage of NIHE stock. The wards of Ballymacbrennan, Hillfoot and Gilnahirk have the highest percentage of owner occupied housing (90%+).

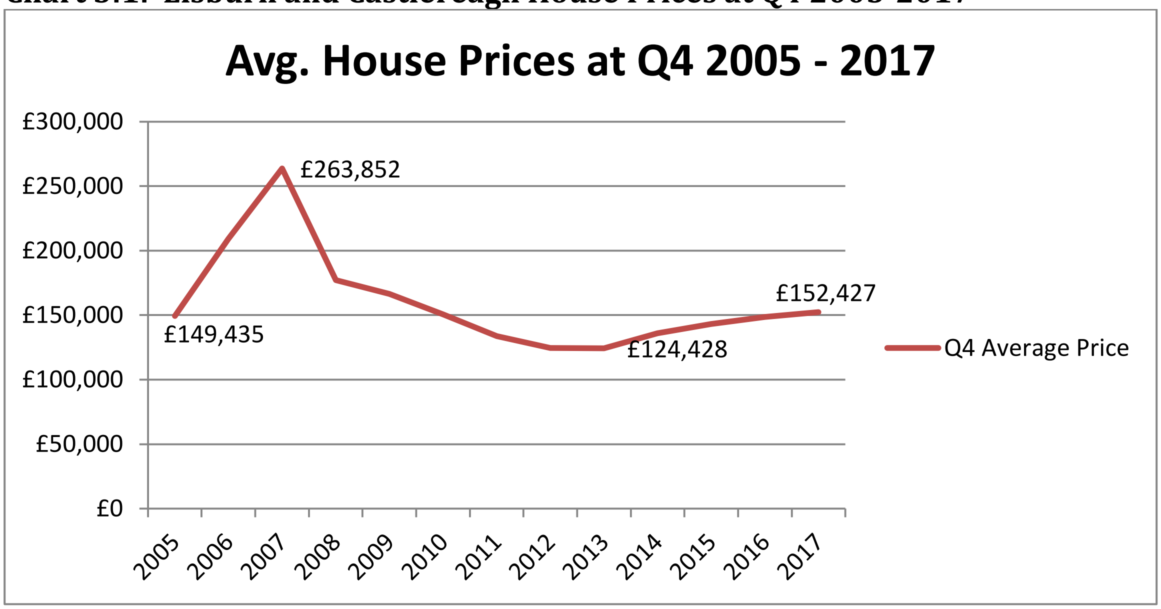
House Prices and Affordability

Land and Property Services state that the average house price in Lisburn and Castlereagh, at Q4 2017 was £152,427, which is the highest average price of all Northern Ireland Council areas. It represents an increase of 2.6% on 2016 figures. Lisburn and Castlereagh house price growth has been lower than the 4.3% average growth experienced across Northern Ireland, with Lisburn and Castlereagh having the second lowest increase of all council areas. Whilst this could be perceived as a sign of a stable housing market in Lisburn and Castlereagh, increasing prices also mean that houses are less affordable.

House price trends in Lisburn and Castlereagh have in general followed Northern Ireland trends, albeit with higher average prices. Large increases in house prices were experienced from 2005 to 2007 when the market overheated. Following the financial crash in 2007/8, house prices fell by over 50% by 2013. Since 2013, the housing market can be seen to be recovering steadily, with house prices at Q4 2017, 26.1% higher. Overall, between 2007 (Q3 peak of £270,714) and 2017 (Q4), house prices in Lisburn and Castlereagh have dropped an average of 43.7%. This is slightly higher than the 41.9% average reduction experienced in Northern Ireland as a whole for the same period.

Average Q4 house prices in Lisburn and Castlereagh between 2005 and 2017 are identified in the chart below. It identifies the sharp rise in prices between 2005 and 2007, the fall between 2007 and 2013, and subsequent gradual increase in prices.

Chart 3:1: Lisburn and Castlereagh House Prices at Q4 2005-2017



Source: Department of Finance, 2017

The level of house prices is a key factor in determining the affordability of owner occupation. Affordability indexes are calculated based on the lower quartile house prices and the median household incomes. Median wages in Lisburn and Castlereagh are the 5th highest in Northern Ireland (Annual Survey of Hours & Earnings, 2016) and as can be seen from Table 3.12, the median wages in Lisburn and Castlereagh are slightly lower than the Northern Ireland average.

Table 3.3: Median Wages

Region	All Persons Median Wage 2013 (£)	All Persons Median Wage 2014 (£)	All Persons Median Wage 2015 (£)	All Persons Median Wage 2016 (£)
LCCC LGD	15,874	17,616	18,604	19,941
Northern Ireland	18,473	19,485	20,348	20,953

Source: Annual Survey of Hours & Earnings, 2016

Repayment affordability highlights the level of unaffordable stock, based on dwellings sold. The latest available Ulster University Affordability Index (2016), (see Tables 3.13 and 3.14) shows repayment affordability and includes an 'affordability gap'. The affordability gap is the difference between lower quartile house prices, and the maximum median income a household can borrow. A positive affordability gap indicates a surplus between the borrowing capacities of households, against lower quartile house prices. Therefore, houses are more affordable in areas with a high affordability gap.

The Ulster University's Affordability Index has calculated that affordability improved across all regions of Northern Ireland in 2016. Lisburn and Castlereagh is the joint 4th least affordable region in Northern Ireland with 58% of properties sold being considered as unaffordable for those on median incomes. However, the council area had a positive affordability gap of £28,470. The percentage of properties in Lisburn and Castlereagh considered unaffordable over the last five years has fluctuated. Between 2015 and 2016, the percentage of unaffordable properties has decreased significantly. This may be due to decreases to mortgage interest rates for first time buyers, increasing borrowing capacity.

Table 3.4: Repayment Affordability

	2012		2013		2014		2015		2016	
	Aff Gap(£)	% Unaff	Aff Gap(£)	% Unaff	Aff Gap(£)	% Unaff	Aff Gap(£)	% Unaff	Aff Gap(£)	% Unaff
Lisburn & Castlereagh	8,920	69%	13,351	66%	18,321	63%	8,937	69%	28,470	58%

Source: Ulster University, 2017

The deposit gap looks at the ability to access the housing market in terms of the required deposit, or the Loan to Value ratio. This index assumes a households ability to save 30% of annual disposable incomes, and estimates a 'savings ratio', that is the number of years it would take households to save for a deposit. Between 2012 and 2016 in Lisburn and Castlereagh, the percentage of an income needed and the number of months needed to save for a deposit have decreased. Lisburn and Castlereagh is the 4th most affordable region in Northern Ireland in terms of the deposit gap, see Tables 1:6 and 3:14.

Both the amount of disposable income required as a deposit, and the length of time required saving the necessary amount has decreased year on year between 2013 and 2016. In 2016, households in Lisburn and Castlereagh needed to save 41.8% of annual income towards a deposit, over a period of 1.39 years. This measure illustrates that conditions are improving for prospective homebuyers wishing to access owner occupation.

Table 3.5: Loan to Value Affordability

	2012		2013		2014		2015		2016	
	Income %	Savings Ratio	Income %	Savings Ratio	Income %	Savings Ratio	Income %	Savings Ratio	Income %	Savings Ratio
Lisburn & Castlereagh	45.83	1.53	44.12	1.47	42.41	1.41	45.20	1.51	41.78	1.39

Source: Ulster University, 2017

The Ulster University combine these two aspects of affordability into a single relative measure called a Multiplier Weighting Ratio. It is considered that the higher the ratio, the greater the affordability problem is in the area. Based on the Multiplier Weighting Ratio, overall affordability improved between 2015 and 2016. Lisburn and Castlereagh remains the 6th most affordable HMA in Northern Ireland. Again, affordability may have increased during the last 12 months, despite house price rises, due to more relaxed lending criteria for first time buyers and increased wages.

Table 3.6: Multiplier Weighting Ratio

	Multiplier weighting ratio 2013	Multiplier weighting ratio 2014	Multiplier weighting ratio 2015	Multiplier weighting ratio 2016	Variation 2015 -2016
Lisburn & Castlereagh	0.971	0.446	1.040	0.808	0.232

Source: Ulster University, 2017

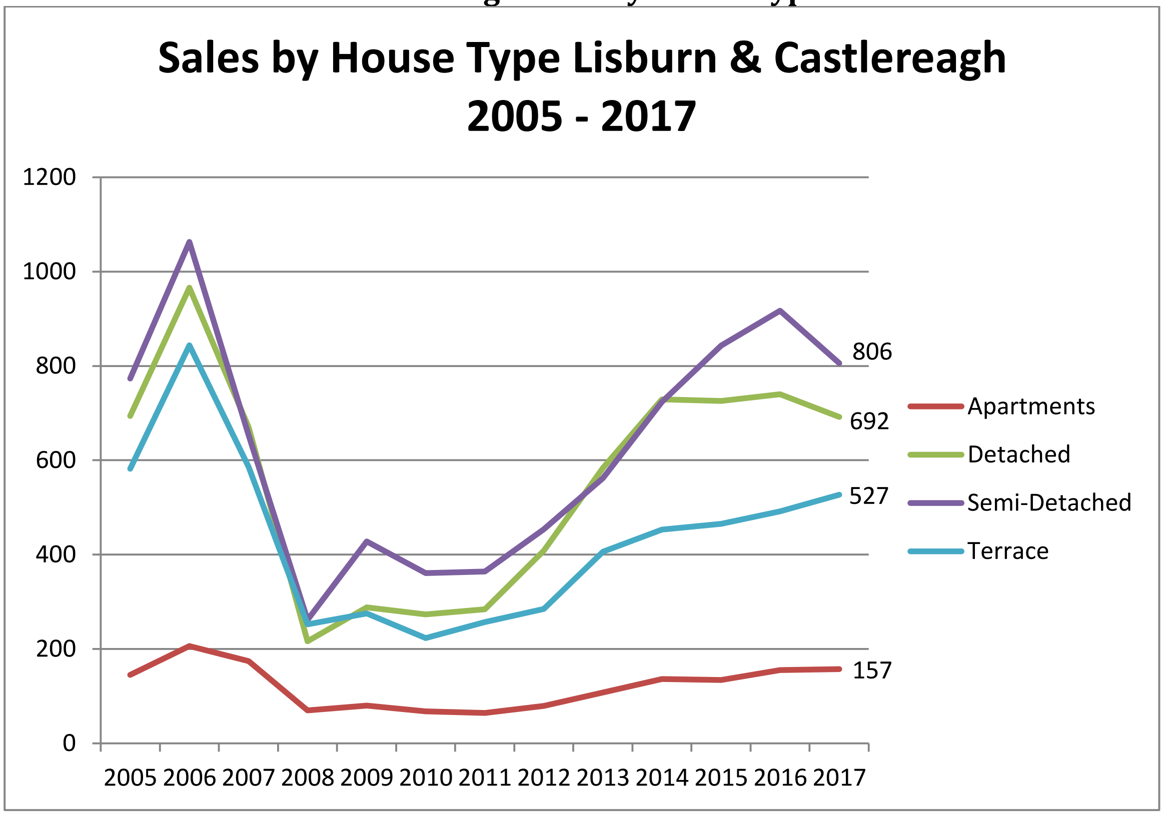
Transactions

Confidence in the overall Northern Ireland housing market is demonstrated by year on year increases in the number of property sales, the most popular property types, are semi-detached and detached dwellings.

These Northern Ireland trends are reflected in Lisburn and Castlereagh, which experienced a decrease in the number of transactions in 2017. In 2016, there were

2,304 transactions, compared to 2,182 in 2017. The number of apartments sold remained similar, the numbers of detached and semi-detached properties sold decreased and the numbers of terrace housing sold increased. In 2017, Lisburn and Castlereagh had the fifth highest proportion of the house sales in Northern Ireland, by council area.

Chart 3.2: Lisburn and Castlereagh Sales by House Type

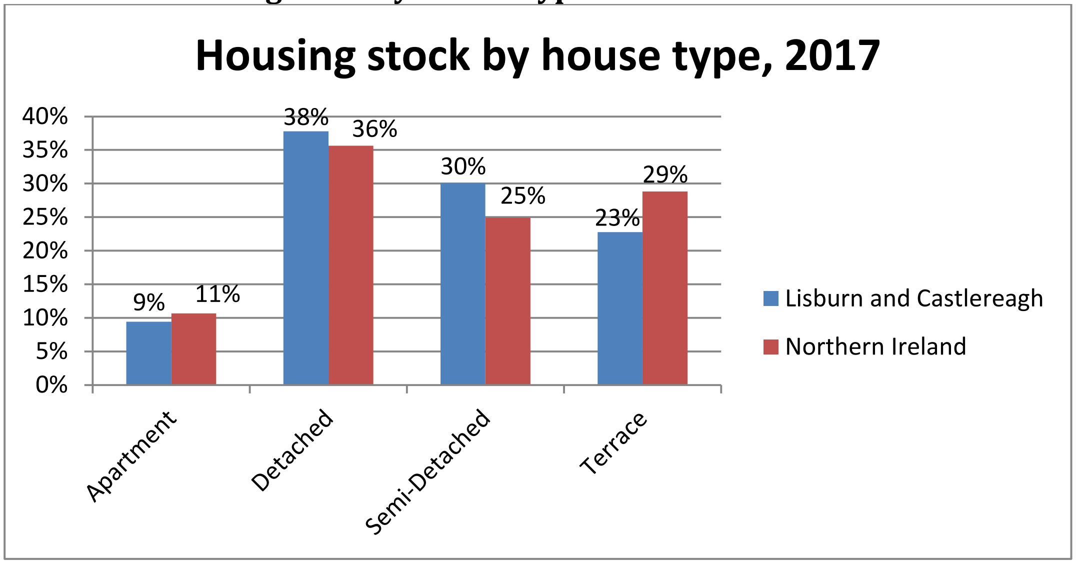


Source: Department of Finance, 2017

Housing Stock

The level of transactions by house type does not fully reflect the existing housing stock in Lisburn and Castlereagh. In 2017, semi-detached dwellings were the property type with highest sales, followed by detached dwellings, terrace dwellings and apartments. As Chart 3.8 demonstrates, the most common stock type in Lisburn and Castlereagh is detached dwellings, followed by semi-detached, terrace and apartments. This differs from the Northern Ireland stock average, which has a higher percentage of terrace properties and lower percentage of semi-detached dwellings. These trends are to be expected, as the Lisburn and Castlereagh council incorporates a significant rural area.

Chart 3.3: Housing stock by House Type

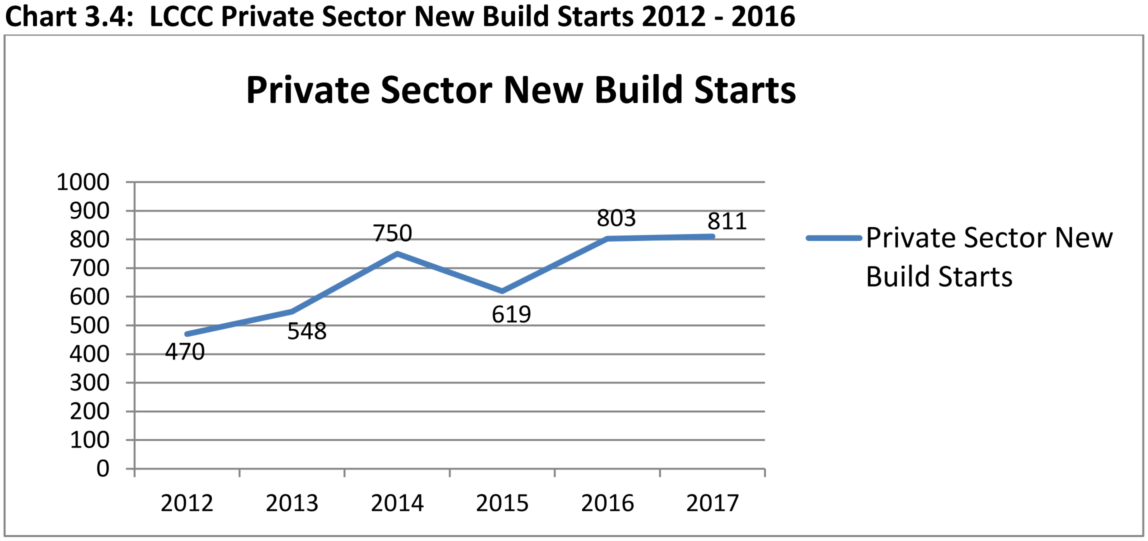


Source: Department of Finance, 2017

From 2008, there has been a 12.0% increase in the total Lisburn and Castlereagh housing stock. However, the rates of increases have varied between house types. The number of apartments grew at the highest rate, by 27.1%, with detached housing increasing at the lowest rate, at 8.4%. The number of semi-detached dwellings increased by 12.8% and number of terrace houses increased by 11.8%. The percentage of the Lisburn and Castlereagh housing stock classified as apartments increased by 1.1% between 2008 and 2017. The percentage of semi-detached housing increased by 0.2%, whilst the share of detached housing decreased by 1.3% and terrace housing by 0.1%.

Various factors shape changes in the volume and mix of housing. Inter-tenure stock transfers, property conversions and demolitions have an influence but the most important factor is new house construction.

Chart 3.4: LCCC Private Sector New Build Starts 2012 - 2016



Source: Department of Finance, 2017

Between 2016 and 2017, the numbers of Lisburn and Castlereagh private sector new build starts has remained consistent, being 811 in 2017. This indicates that confidence in the residential property market is stable. Private sector starts, generally support growth in numbers living in the owner occupied sector.

For Lisburn and Castlereagh, the HGI requirement for the period 2012-2025 is projected at 9,600 new dwellings, which equates to 738 per year. The target was exceeded in both 2016 with 853 starts, and in 2017 with 876 starts (private and social housing). In 2016, there were 806 new dwelling completions and 759 in 2017 (Source: Department for Finance/ Building Control). Due to the realignment of LGD boundaries in 2015, it is not possible to accurately compare the rate of starts and completions prior to 2015. However, it is evident from the 2016 and 2017 statistics that the rate of construction in Lisburn and Castlereagh needs to remain similar to current levels to help ensure that housing need is met.

The sale of social housing in Lisburn and Castlereagh, has also contributed to the growth in owner occupation, with over 7,500 units being sold, the majority of these are former Housing Executive dwellings. Sales rates have fallen back over the last ten years from high rates experienced in 2006 and 2007, 27 properties sold in the last year, compared to 78 in 2006. At March 2017, 59% of Housing Executive properties in Lisburn and Castlereagh had been sold to sitting tenants.

Intermediate Housing

Intermediate housing can take different forms and is housing, made available to eligible households, for rent or purchase, which have prices higher than the social housing sector but are below open market rates. A key objective of DFC's Housing Strategy was to support access to the owner occupied market by developing intermediate housing options. Therefore, in Northern Ireland, intermediate housing usually refers to low cost home ownership. Intermediate housing is defined in the SPPS as:

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

Co Ownership Housing is the best-known scheme in Northern Ireland for people who wish to buy a home but who cannot afford to do so, without help. A share of between 50% and 90% of the home's value is bought and the remainder is rented from Co Ownership Housing. Almost 26,000 houses have been purchased through the scheme, since it was established in 1978. There is a cap on the value of the property that can be bought using the scheme; at April 2017, this was £160,000. This is higher than the current average house price in Lisburn and Castlereagh, at £152,427 (LPS Q4 2017). In 2016/17, 89 properties were purchased in Lisburn and Castlereagh through Co Ownership making 1,122 active properties in the area.

Other newly launched intermediate housing schemes in Northern Ireland include Fairshare, which allows people to partner with a housing association to buy a property. Similar to Co Ownership, a share of 50% and 90% of the property can be bought and a rent is paid on the remaining portion. Participating housing associations include Apex, Choice and Clanmil. OwnCo Homes, a rent to own scheme, was established in 2016 and is a private, not for profit, subsidiary of Co Ownership. This is a fixed term rental commitment to enable the owner to save a deposit to buy a property.

Currently, the Housing Executive calculates intermediate housing need using a model established by Professor Glen Bramley and adopted by the Welsh Assembly. This model assesses demand by examining:

- Median income levels;
- Lower quartile house prices;
- Income needed to purchase a, e.g., 50% share of a lower quartile property; and
- Household projections.

It has been calculated that in Northern Ireland there is a demand for 1,016 new intermediate units each year, with 114 units for Lisburn and Castlereagh.

Future prospects

Evidence shows that the owner occupied market in Northern Ireland and Lisburn and Castlereagh has stabilised. Since 2013, there has been a recovery, as evidenced by increasing house prices, numbers of transactions and new build levels, across both Lisburn and Castlereagh and Northern Ireland.

Lisburn and Castlereagh is the sixth most affordable Council area in Northern Ireland. While both the amount of disposable income required as a deposit, and the length of time required saving the necessary amount has decreased between 2012 and 2016, it is anticipated that prospective buyers may find it increasingly difficult to purchase a home given expected rises in house prices, inflation and interest rates.

While initial signs in Q4 2017, show that the market is generally stable, structural challenges remain including high levels of negative equity and a lack of new supply. These challenges may cause the market to become static. The rate of house construction in Lisburn and Castlereagh will need to be maintained at current levels to ensure that 2025 Housing Growth Indicator targets are achieved.

Private Rented Sector

The Housing Executive's House Condition Survey defines the private rented sector (PRS) as housing rented from a private landlord, private company, other organisation, relative or friend. The PRS includes accommodation tied with employment and Houses in Multiple Occupation (HMO) but not Purpose Built Student Housing (PBSA).

Expansion of the Private Rented Sector

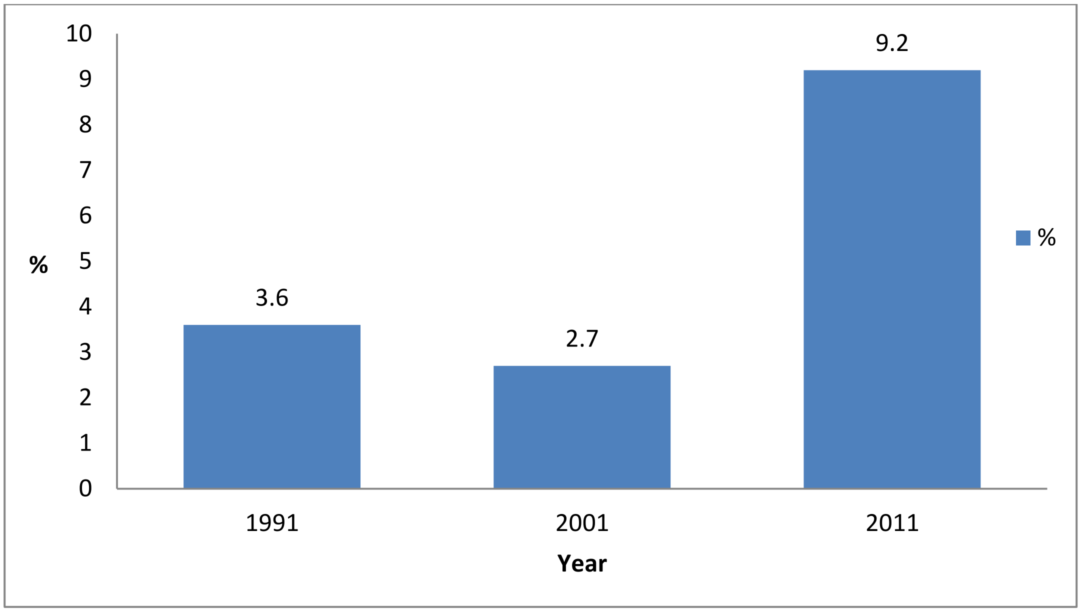
The private rented sector in Northern Ireland has experienced rapid growth in recent decades. In 1991 the House Condition Survey estimated that there were only 28,600 (5%) dwellings in the private rented sector; by 2001 this had grown to 49,400 (7.6%). The 2006 House Condition Survey showed a substantial increase in the sector to 80,900 dwellings (11.5%). The most rapid period of growth however, took place between 2006 and 2011, when an investor led housing boom and the subsequent crash in the new build owner occupied sector resulted in an increase in both the supply and demand for private rented accommodation.

The expansion of the PRS can be considered to have increased in line with the buoyant housing market, until the property market crash of 2007. Increases in house prices and readily available finance made this sector attractive for 'Buy to Let' landlords who realised significant returns in their capital investment in the short term and which often offered larger returns than pensions at this time. The rise in house prices also meant there was an increasing market for rental properties, as potential first time buyers found it increasingly difficult to enter the owner occupied market.

Unlike the owner-occupied and social rented sectors, which were adversely affected by the outcomes of the housing market collapse and cuts to public spending, DFC in 2017 reported the private rented sector continued to grow and that during the recession, the PRS was inflated by 'accidental landlords'. These included households in negative equity, who were unable to sell their property to 'move on' and instead rented privately to pay their mortgage. There was also increasing demand from those who found mortgage finance difficult to access. DCLG estimated that in 2014, 18% of households in Northern Ireland were in private rented accommodation. The 2011 House Condition Survey showed that 125,400 dwellings were in the private rented sector; this represents an annual average increase of 8,900 dwellings.

The PRS has grown dramatically in the last 20 years, as shown in Chart 3.3. According to the 2011 census, the proportion of privately rented properties in LCCC was 9.2%, which was more than three times the proportion in the 2001 census. Nevertheless, this is significantly lower than the Northern Ireland average of 15.1%.

Chart 3.5: % of Private Rented Sector in LCCC 1991-2011



Source: NISRA

The Housing Executive commissioned Ulster University to carry out a suite of research into aspects of the PRS. One report, "Performance of the Private Rented Sector in Northern Ireland" examined trends in lettings and rental levels from the second half of 2013 to late 2016. There has been a gradual downward trend in the number of lettings throughout the research period. Average rental levels over the same period increased from £534 to £579. Taken together, the lettings and rental trends appear to point toward a more stable PRS, with lower turnover and households remaining in their accommodation for longer periods of time.

DfC introduced Landlord Registration in February 2014, to provide councils with up to date information about the activity in the sector to and enable them to proactively enforce private tenancy law. All private landlords in Northern Ireland should now be registered. Over 40,000 landlords have registered with the Landlord Registration Scheme, and have given details of their properties. Tenants and prospective tenants can now search the register and check if a landlord is listed. On registration, landlords receive a toolkit which details their obligations and duties under private rented sector law.

DfC state that the Landlord Registration database showed in 2018, that the vast majority (80%+) of registered landlords own one or two properties, with few landlords owning five or more dwellings. In LCCC there were 4,288 landlord registrations.

Table 3.7: Number of Landlords and Private Tenancies

	Number of private tenancies by Council Area
Lisburn & Castlereagh	4,725
Northern Ireland	91,709

Source: DFC Landlord Registration Database, January 2018

Table 3.8: Landlords by Council area

	Number of Landlords by Council Area of Residence
Lisburn & Castlereagh	4,288
Northern Ireland	47,713

Source: DFC Landlord Registration Database, January 2018

Welfare reform could also affect the attractiveness of private renting for landlords. Local Housing Allowance caps could lead to increased arrears as full rents are unable to be met through tenants benefit allocation. Furthermore under Universal Credit, there is an increased risk that landlords letting properties for temporary homeless accommodation, may not get their rent covered. This could encourage some landlords to leave the sector; however, there may be increased demand for HMOs. The continuation of direct payment of Housing Benefit to landlords is seen as a crucial aspect of the continued sustainability of the PRS. The imminent introduction of Universal Credit and the continued absence of a functional Executive may jeopardise this situation. It is noted the level of private housing benefit claims has reduced over recent years indicating landlords are able to obtain higher rents from non- housing benefit funded tenants. Welfare Reform is considered in more detail under the Social Housing Chapter.

Tenant Profile

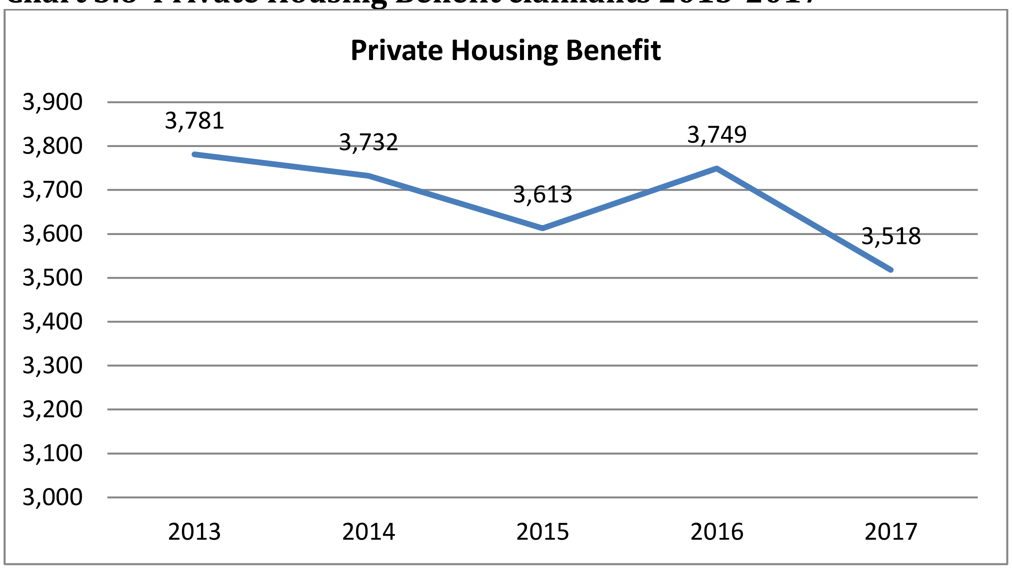
The PRS can provide flexible accommodation for young professionals, migrant workers and students. It can also provide for households that cannot, or do not want to buy or rent from a social landlord. Private renting can provide permanent housing for long-term tenants and provide emergency housing for homeless applicants.

According to 2011 Census, 61% of private rented households had no dependent children in the household while 39%, had one or more, dependent children. At this time, the majority of tenants (72%) were aged between 25 and 54, 16% were over 55 years and 12% were under 24 years.

DfC reported in 2017, that the PRS is home to many households who would traditionally have lived in the social housing sector. There is evidence for this in LCCC as in March 2017, 27% of all private sector tenants were in receipt of housing benefit. PRS housing stock in the council area, has grown, while social housing stock has decreased. At March 2017, 7,783 Housing Executive stock had been sold, leaving 5,410 in Housing Executive ownership.

Chart 3.4 shows that while there is some fluctuation in the number of households claiming private sector housing benefit, it has remained relatively constant over the last 5 years. The main reasons for the decline are in the changes to the Housing Benefit system introduced in April 2011 which effectively lowered the Local Housing Allowance (LHA) and the introduction of the Single Room Rent to single people between 25 and 35 years of age. These changes and an upturn in the economy which has seen more people entering employment. This client group have entered intio the PRS due to the difficulty in accessing mortgage finance and have often replaced those in housing benefit as they are able to pay higher rents. This may partially explain the reduction in HB claimants in the PRS.

Chart 3.6 Private Housing Benefit claimants 2013-2017



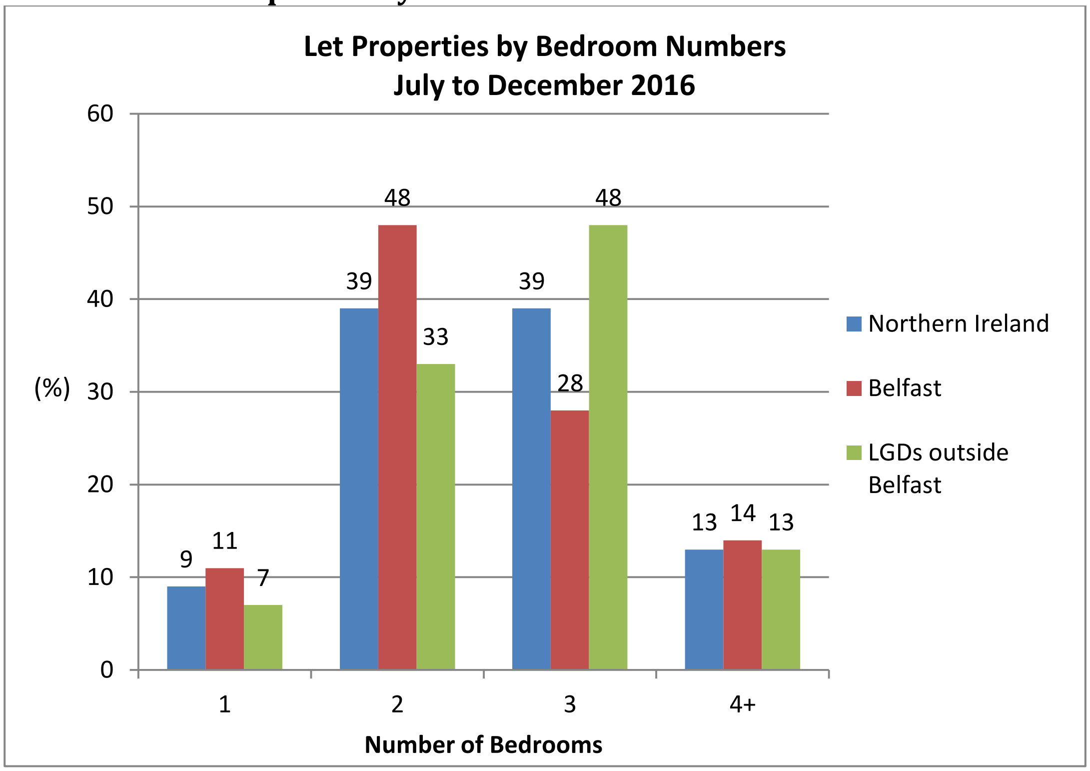
Source: NIHE, 2017

Dwelling Stock

It should be noted, that there is a lack of up to date statistical information on the PRS at a local area, which can limit analysis. However, Ulster University's research report 'Performance of the Private Rented Sector in Northern Ireland' June to December 2016, provides some specific figures for 2016, by council area.

The range of properties with different house types and numbers of bedrooms are important in allowing a range of households a choice of an appropriate home that meets their needs. While two and three bedroom apartments and terrace/townhouses, dominate the private rented market, there are geographical differences across Northern Ireland. There is a higher proportion of two bedroom properties being let in urban areas, which reflects the popularity of the smaller house types. The high proportion of three bedroom properties being let outside urban areas reflects the higher numbers of these properties at these locations.

Chart 3.7: Let Properties by Bedroom Numbers



Source: University of Ulster/NIHE

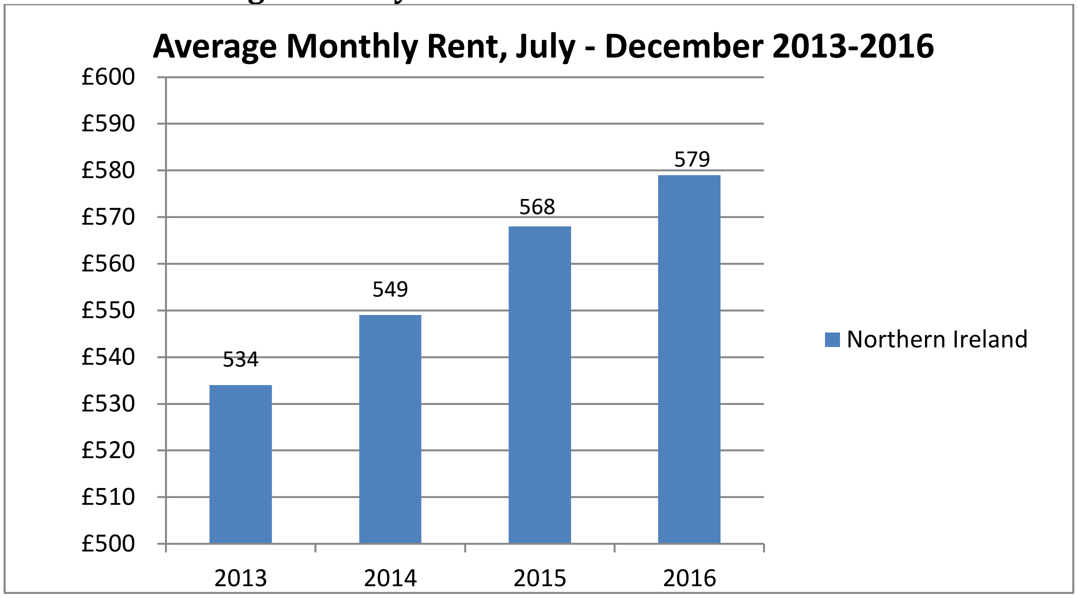
Affordability

Research undertaken by the University of Ulster indicates affordability challenges in accessing the private rented sector for low-income households, especially in relation to raising a deposit. A deposit is normally the equivalent of a month's rent; meaning an average deposit in Northern Ireland is approximately £580.

While a private tenant can access housing benefit, there are many on lower incomes that have difficulty finding the money to bridge the gap between housing benefit and the market rent charged by a private landlord. In these instances, tenants may be able to apply to the Housing Executive for a Discretionary Housing Payment for a temporary period. In addition, some landlords have experienced mortgage repayment difficulties, particularly those who bought at the height of the boom with the help of high loan-to-value mortgage.

DfC (January 2017), calculated the percentage of earnings used for rent by using weekly and monthly median earnings and average rents based on 2015 information. This showed that in Northern Ireland, 33% of earnings were used to pay rents.

Chart 3.8: Average Monthly Rent



Source: University of Ulster/NIHE

Chart 3.6 shows that the average monthly rent for Northern Ireland has shown steady increases from 2013 to 2016, with an increase of approximately £15 per month, each year. On average rents for LCCC are slightly higher than the Northern Ireland average being £605 per month as shown in Tables 3:8 and 3:9. This varies between house types with apartments and terrace dwellings being lower than the Northern Ireland average rent but the reverse with semi and detached properties.

Table 3.9: Average rent by property type

	Apartment	Terrace/Town house	Semi Detached	Detached	All
LCCC	£543	£555	£631	£762	£605
Northern Ireland	£577	£572	£593	£726	£595

Source: University of Ulster/NIHE - Jan/Jun 2017

Table 3.10: Average rent by number of bedrooms

	1	2	3	4+	All
LCCC	£448	£546	£614	£817	£605
Northern Ireland	£441	£536	£581	£857	£595

Source: University of Ulster/NIHE - Jan/Jun 2017

Houses of Multiple Occupation (HMO)

An HMO is defined as 'a house occupied by more than two qualifying persons, being persons who are not all members of the same family'.

The Housing Executive currently has responsibility for a statutory registration scheme for Houses in Multiple Occupation (HMOs), as required by the Housing (NI) Order 2003. It is anticipated that responsibility for the registration of HMOs is due to be transferred to Councils on 1st April 2019 at the earliest. However the transfer has been delayed previously.

HMOs can form an important element of the private rented sector, particularly for younger people on low incomes and for single people, under the age of 35, affected by the limitation of housing benefit to the shared room rate. Anecdotal evidence also indicates that this has been a popular sector with migrant workers.

At February 2018 there were 33 properties registered as HMO's in Lisburn & Castlereagh.

Future Prospects

Despite a slight rise in transactions between January and June 2017 the general trend of decreasing numbers of rental transactions since 2013, would suggest a slowing down in the growth of the PRS. In addition, income tax changes due to be introduced in 2018, may discourage prospective new landlords entering the market and some existing small landlords to leave. This could signal a reversal of the expansion in the sector, and may cause some landlords to increase rents as supply is reduced. However, given the remaining high levels of negative equity, commentators have stated that the risk of large-scale disinvestment is expected to below.

While the economy and owner occupied housing market can be seen to be recovering, enduring affordability issues for many potential first time buyers, alongside rising numbers in part time and temporary employment, would indicate that the private rented sector will continue to play an important role in Northern Ireland's housing market. There is also continued demand outstripping supply for social housing in many areas.

Renting privately may also remain popular with some households, as it can inlude benefits, such as:

- Responsiveness, especially in meeting new demand;
- Flexibility;
- Choice in terms of property type and location; and
- Freedom from responsibility from repairs and maintenance.

However, the PRS will continue to be heavily influenced by trends in the social housing and owner occupied sector. Welfare reform may encourage some social housing tenants who are under occupying to enter the PRS, where there are often small properties available. This will also depend on the level of income shortfalls, as households may have to meet rent differentials. For example, the reduced housing benefit of 14% or 25% for under occupying a social house could be more than the shortfall of the Local Housing Allowance to meet private rents. In addition, the introduction of the shared room rate for single social housing tenants, under the age of 35, may encourage these households to seek HMO accommodation.

House prices and mortgage availability in the owner occupied sector will also affect the popularity of the sector. Easing mortgage restrictions on first time buyers may lead to a decrease in demand for private rental, and as house prices rise, accidental landlords may leave the private rented market if the financial return is worthwhile.

Other factors that could influence the future of the market include:

- The development of intermediate housing products, helping people into home ownership, leading to a decrease in demand;
- Overseas migrants, often housed in the PRS, being compelled or wishing to leave, following the UK's departure from the EU; and
- The introduction of a new regulatory framework, for the sector, following DfC's consultation.

In Lisburn & Castlereagh the PRS continues to play a significant role in the local housing market. In terms of estate agents perceptions, a general feeling of uncertainty is apparent concerning the market direction, due to the current political impasse and the economic implications of Brexit. There is also a perception that there is still a supply problem in terms of good quality affordable homes. The average monthly rent was £605. Local estate agents have indicated that key drivers affecting the PRS in LCCC area include:

- High demand for private rental;
- No net additional supply;
- High demand and low turnover in the social housing sector;
- Job and income uncertainty;
- Lower numbers of private new build development;
- Lending restrictions; and
- A high level of negative equity.

The PRS will play an increasingly important role meeting the needs of younger households on lower incomes, who in previous decades would have become first time buyers. High levels of demand for social housing in some areas will also continue to underpin the demand for private rented accommodation.

Housing Benefit continues to play a vital role in supporting low-income tenants in the PRS. At March 2017, 3,518 private tenants in the LCCC area were in receipt of Housing Benefit.

Whilst it is envisaged that the risk of disinvestment in the sector is low, the market is unsure of the effect of the recent tax changes for private landlords. This matter will be closely monitored.

Social Housing

Social housing in Northern Ireland is defined as housing provided at an affordable rent by registered Social Landlords for rent and is allocated through a Common Waiting List administered by the Northern Ireland Housing Executive. The Housing Executive has a statutory duty under the Housing NI Order 1981 to "regularly examine housing condition and need".

The Common Waiting List is a dynamic database and is split into a number of smaller geographic areas to facilitate applicants' areas of choice for housing. For reporting purposes an annual Social Housing Need Assessment is produced from the Common Waiting List at the end of March each year. This allows the Housing Executive to assess the level of social housing need for defined geographic areas. The level of social housing need is projected for a five year period from March each year. This is presented annually to each of the councils in the Housing Investment Plan document.

Social Housing in Lisburn & Castlereagh

The social housing sector makes up 15.8% of the LCCC housing market compared to the Northern Ireland average of 15%. Social housing in Lisburn increased dramatically in the 1970's and 80's due to the population movement created by the 'troubles'. Whilst the Catholic population concentrated on West Belfast the protestant population moved further out to Lisburn and the estates of Ballymacoss and Warren. Lisburn continued to prove popular and social housing new build was at its height through to the 1990's.

The requirement for new social housing in the LCCC has consistently increased since 2010. The five-year assessment for 2017-22 shows a need for 800 units. Need is greatest in and around Lisburn City. The Castlereagh area has lower demand with most seeking small family accommodation.

Single, older persons and small family households comprise 90% of the Council's waiting list in housing stress. Much of the projected population growth will be concentrated in the 65 plus age group and whilst the need for small family accommodation remains strong, there will be a requirement to design and construct suitable accommodation for older persons across all tenures and especially in the social sector.

The housing mix in new social housing will need to cater for these household groups. In recent years social housing need in LCCC has been delivered by housing associations on Housing Executive land. Increasingly, Housing Associations have to compete for privately owned land to meet social housing need in the district as Housing Executive land becomes scarce.

Housing associations report difficulties in obtaining sites in areas of housing need throughout the LCCC area. These results in housing associations having to acquire sites on the open market and are therefore subject to market price fluctuations. To address social need the Housing Executive's Social Housing Development Programme (SHDP) has 191 housing units planned for 2917/18. In 2016/17, there were 159 social housing new build completions and 152 starts. There are approximately 7,000 social dwellings in Lisburn & Castlereagh, 5,410 of these are owned by the Housing Executive, the remainder by housing associations. A profile of the Housing Executive stock is provided in Table 3.11 below:

Table 3.11: Lisburn & Castlereagh Housing Executive stock at March 2017

	Bungalow	Flats *	Houses	Cottage	Total	Void
Current Stock	1,171	1,688	2,497	54	5,410	33
Sold Stock	296	710	6,482	295	7,783	

Source NIHE: Includes maisonettes

Demand for social housing in Belfast

The Housing Executive administers the Common Selection Scheme and Waiting List for all social housing throughout Northern Ireland. Waiting list trends for the last five years in Lisburn & Castlereagh has been constantly high. In common with the rest of Northern Ireland, single applicants make up the largest group on the waiting list.

Table 3.12: LCCC Household composition of housing applicants at March 2017

Type	Single person	Small Adult	Small Family	Large Adult	Large Family	Older Person	Total
Applicant	907	135	572	47	128	425	2,214
App (HS)	526	62	355	23	70	232	1,268
Allocation	209	23	139	<10	33	105	515

Source NIHE:

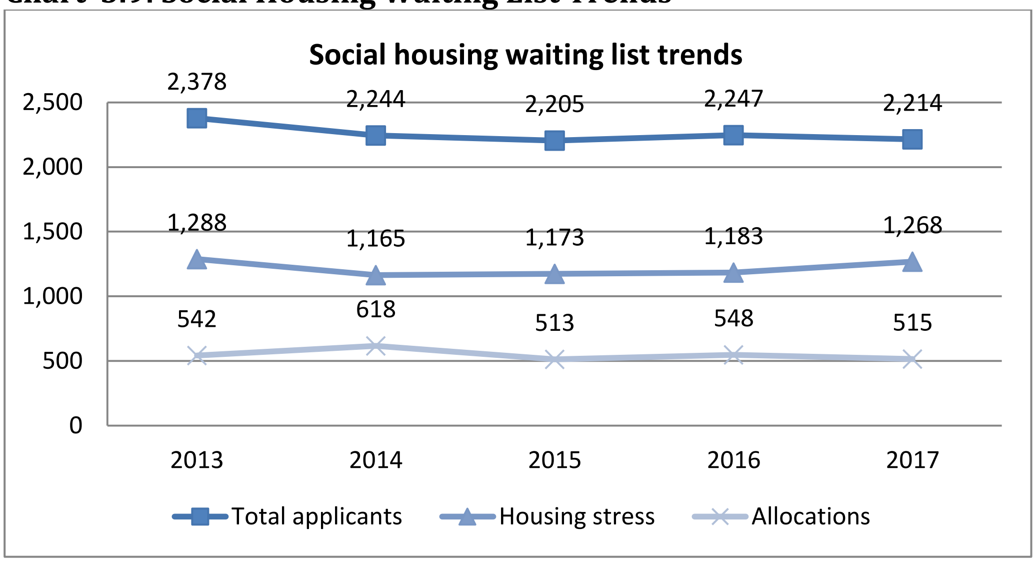
Applicant – Housing applicants at March 2017
App (HS) – Housing stress applicants at March 2017 (i.e. 30 points or more)
Allocation – Annual allocations for year ending March 2017

Table 3.13:

Definition of Household Types	
Single person	1 person 16-59 years old
Older person	1 or 2 persons aged 16 or over, at least 1 over 60
Small adult	2 persons 16-59 years old
Small family	1 or 2 persons aged 16 or over, with 1 or 2 children
Large family	1 or 2 persons aged 16 or over, and 3 or more persons 0-15, or 3 or more persons 16 or over and 2 or more persons aged 0-15
Large adult	3 or more persons aged 16 or over with or without 1 person aged 0-15

Source NIHE: Includes maisonettes

Chart 3.9: Social Housing Waiting List Trends



Source: NIHE

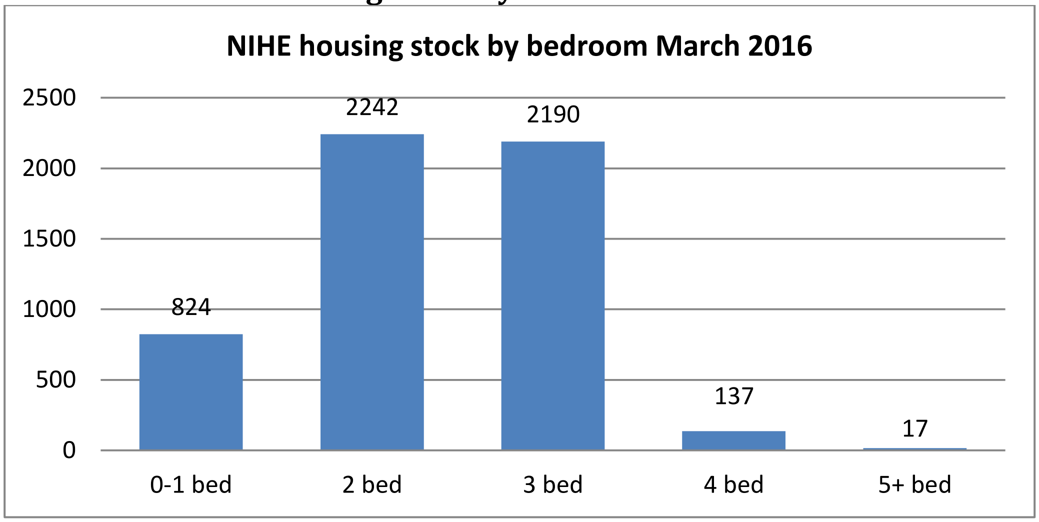
Housing stress has been increasing over the years while rehousing has not kept pace with applicants due to the level of new build decreasing in recent years

The areas of highest need are concentrated in the main urban centres within the LCCC District and coincide with those areas where suitable development land is in short supply.

Housing associations report difficulties in obtaining sites in areas of high housing need. This results in them having to acquire sites on the open market and therefore subject to market fluctuations. This will put further pressure on the waiting lists for those areas.

Single person households and small families account for a high percentage of the total waiting list, reflecting the trend toward smaller households, evident throughout Northern Ireland. The predominance of single and smaller family households and the welfare reform agenda will mean that new social housing will comprise a high proportion of one and two bedroom dwellings. This will mark a departure as much of the social housing stock reflects the earlier development programmes which mainly provided family housing.

Chart 3.10: NIHE Housing Stock By Bedroom



Source: NIHE

The requirement for new social housing in Lisburn & Castlereagh has remained constantly high since 2010. The 15 year assessment for 2017-2022 shows that over 2,400 new social homes are required to meet demand in that time period.

Table 3.14: Summary of Social New Build Requirement for LCCC by Settlement

Settlement	Social Housing Need (Units) 15 Year (2017-2032)
Lisburn/Dunmurry Urban	1,745
Castlereagh Urban	150
Aghalee	10
Annahilt	0
Ballynadolly	0
Boardmills	10
Carryduff	60
Culcavey	5
Dromara	5
Drumbo	0
Dundrod	0
Glenavy	90
Hillsborough	90
Lambeg	120

Settlement	Social Housing Need (Units) 15 Year (2017-2032)
Lisburn Rural	0
Lower and Upper Ballinderry	0
Maze	0
Megaherry	0
Milltown	5
Moira	75
Moneyrea	0
Purdysburn	0
Ravarnette	5
Stoneyford	0
Total Social New Build Requirement	2,490

Source: NIHE

Homelessness

One of the main reasons for the increase in numbers of applicants in Housing Stress is the ongoing problem of homelessness. The number of homeless applicants in Lisburn & Castlereagh has remained constant, around 40 per week, over the past five years.

Table 3:15 Homeless Figures 2012/13 – 2016/17

Year	No. of homeless presenters	No. of homeless acceptances	Households placed in temporary accommodation
2012/13	1,911	952	308
2013/14	1,831	960	275
2014/15	1,860	1,053	264
2015/16	1,711	942	245
2016/17	1,701	1,033	318

Source: NIHE

High levels of homelessness place a heavy burden on social housing landlords and providers. The number accepted as homeless exceeds the total number of social allocations in any given year. Being accepted as homeless under the legislation places a duty on social housing providers to secure temporary and permanent accommodation as required. This has an impact on the length of time applicants spend on the waiting list.

In line with our statutory duty, the Housing Executive published a new Homelessness Strategy 2017-2022 in April 2017. This strategy which has five objectives has a vision of "Ending Homelessness Together".

Each objective has associated short, medium and long term key milestones that are outlined in the document. The Homelessness Strategy is on the Housing Executive website at:
http://www.nihe.gov.uk/northern_ireland_homelessness_strategy.pdf

It is accepted by government that homelessness is a cross cutting issue, not solely the responsibility of the Housing Executive. The Strategy will therefore be supported by a Cross Departmental Action Plan led by the DfC, which will concentrate on five key actions which will enable collaborative working across government to improve the lives of homeless clients across Northern Ireland.

Supported housing

Supported housing is for individuals who cannot live independently in their own home. They require extra housing support and/or an element of care in addition to a home. Funding for the additional services is allocated from the Supporting People budget, administered by the Housing Executive, which in Lisburn & Castlereagh in 2017/18, amounted to almost £4.32m and supported over 1,300 people.

Accommodation can be self-contained or shared. Shared housing is used to describe accommodation for two or more persons with shared facilities, e.g. bathroom, kitchen, communal living room or dining room. Shared housing can include cluster dwellings, group homes or hostels. Some schemes will provide the services of a warden who may be a resident.

Future supported housing schemes are subject to a rigorous commissioning process with partners including the Housing Executive, Health and Social Care Board, Health Trusts and the Probation Board. All revenue funding associated with the delivery of new supported housing schemes must be in place before the scheme can proceed. Budgetary pressures on both capital (new build) and revenue (Supporting People

Services) funding continue to impact the sector and are anticipated to continue into the foreseeable future.

Wheelchair Housing

In addition to Supported housing, the Housing Executive also assesses the need for accommodation for people with a disability, most notably wheelchair users. In Lisburn & Castlereagh there are currently over 31 applicants who require specialist wheelchair accommodation at March 2017. There is an overall shortage of this type of accommodation and this has been recognised at departmental level. Recent DfC guidance to housing associations stipulates that 7% of all new social housing should be built to wheelchair standard. Some schemes are more suited to this type of provision and a flexible approach is being taken in order to meet the overall requirement.

Traveller Accommodation

A Traveller Housing Need Assessment has been carried out for the period 2013 to 2018 and has resulted in a five year programme of schemes to address the accommodation needs of Travellers in Northern Ireland. Future review of this assessment will be carried out on a five year rolling basis to reflect changes in need, land availability and funding. Work will commence on the 2019/24 Northern Ireland Traveller accommodation assessment in 2018.

The Northern Ireland programme includes the following types of scheme:

1. *Group Housing*
   Residential housing developments, with additional facilities and amenities, specifically designed to accommodate extended families on a permanent basis.

2. *Serviced Site*
   A range of managed accommodation where Traveller families have a permanent base to park caravans or erect timber framed sectional buildings. They have electricity, water and sewerage provided together with other facilities such as communal or individual amenity units.

3. *Transit Site*
   A basic facility where Travellers may park caravans on a temporary basis and where electricity, water and sewerage disposal are provided.

There are no Traveller accommodation requirements identified for Lisburn and Castlereagh.

Asset Management Strategy

The re-letting of existing stock accounts for over 80% of all allocations in the social housing sector. It is therefore vital that this stock is well maintained and capable of being used for many years in future. In general terms, Housing Executive stock is older than housing association stock. Just over half of Housing Executive stock was built between 1945 and 1980. By contrast, over 80% of housing association stock was built after 1980.

The Housing Executive adopted an Asset Management Strategy in 2016. The Strategy adopts an “active asset management approach” in which investment decisions are based on the performance of the stock in supporting the Housing Executive’s business plan and its landlord objectives.

The Housing Executive has examined its 32 tower blocks; some of these are in the Lisburn & Castlereagh area, as part of the overall Asset Management Strategy. This analysed each block in terms of investment need, management and maintenance costs and housing demand. However, following the fire in Grenfell Tower in London, this exercise has been put on hold until it has had the opportunity to consider any preliminary findings from investigations into that fire and any implications arising from it.

Resulting from the Asset Management Strategy, the Housing Executive plans to increase its annual spend on capital improvements and planned maintenance in Lisburn & Castlereagh from £7m in 2016/17 to just over £8m in 2017/18.

Rental income is important to maintain this level of expenditure on stock. Housing Executive rents are “pooled” and reflect the type, age and size of the dwelling, irrespective of location. Housing association rents are not pooled in the same way; their rents are set for each development based on the cost of construction and borrowing. The impact of Welfare Reform and the removal of mitigated measures in 2020 as agreed under ‘A Fresh Start’, has the potential to detrimentally the condition of the social housing stock through reduced rental income as witnessed in Great Britain.

Future Prospects

Social housing will remain a very important component of the overall housing market in Lisburn & Castlereagh over the period of the LDP. Based on current projections, almost 2,500 new social homes are required in the city in the next 15 years. Land availability, budgetary pressures and an uncertain economic backdrop post Brexit, will make the delivery of this number of units extremely difficult. Social housing applicants can expect to wait longer for an allocation, therefore putting additional pressure on other tenures.

Welfare reform has the potential to have a considerable negative impact on social housing with implications for housing stock, potential transfers within stock, increased arrears and house sales under the Right to Buy. The introduction of Local Housing Allowance (LHA) for social housing could have a huge effect on housing association stock, whose rents are generally higher. These developments will be closely monitored over the coming years.

The Housing Executive's Asset Management Strategy is very welcome and timely preparation to ensure that information on what is required to provide a supply of well-maintained properties is available and to monitor delivery against the objectives.

Conclusion

Lisburn & Castlereagh Council area is one of the most sought after areas within Northern Ireland to live, work and visit. It is a locality which consists of an urban and rural mix and is designated as a city area. It is already recognised as a premier business location within Northern Ireland with opportunities to grow and develop the local and regional economy.

The Council's Masterplan has put together plans to transform the physical, social and economic fabric of the city and ensure that the region is able to compete with other major towns and cities while maintaining its distinctiveness and environmental heritage for generations to come.

The NIHE plays an important role in encouraging regeneration in the council area, both through the use of land within its ownership and its powers to buy and sell land. The Housing Executive has supported community based regeneration by implementing estate-based strategies in several estates and by providing premises or land for community groups, facilities and enterprise projects.

Within the LCCC area the housing market is slowly recovering following the economic crash in 2007. Despite relatively small increases in house prices over recent years; a number of imbalances in the housing market remain. The overall decline in private sector housing development, house prices and the mortgage lending regime, a lack of mixed tenure development, an undersupply of private rented accommodation and an increasing number of applicants in housing stress on the social housing waiting list all pose particular challenges.

The LCCC population is projected to grow by 17% by 2025. Most of this growth will be concentrated in the 65 plus age group. Indeed the continued growth in the population show that the housing market will continue to be shaped by smaller households; the 2011 census recorded that 24.9% of Lisburn & Castlereagh City households were 1 person and 31.2% of households were 2 person. Whilst the need for small family accommodation remains strong, there will be a requirement to design and construct suitable accommodation for smaller households.

The annual HGI requirement for LCCC is 738 per year and has and is being met both by starts and completions since 2015. The predicted target of an additional 7,200 over the period 2020-2035 will depend heavily on the regional economic performance, the outcome of Brexit negotiations and future demographic patterns.

The private rented sector across Lisburn & Castlereagh has seen an unprecedented increase in its tenure share between 2001 and 2011. The Census in 2001 recorded 1,802 households (2.7% of all households) renting from private landlords or letting agencies. By Census 2011; the number had increased to 6,758 households (9.2% of all households). Local estate agents have indicated that the current key drivers affecting the PRS and associated rental values in the LCCC area include: difficulty in accessing the owner occupied sector, high demand for private rental, low unemployment, no net additional supply and high demand and low turnover in the social housing sector.

The requirement for new social housing remains high in the LCCC area. Census data shows that the social rented stock in the council area has fallen from 21.3% in 2001 to 15.8% in 2011; due mainly to the 'Right to Buy' scheme, land availability and lower numbers of new build put back. A total of 7,783 NIHE properties have been sold since the commencement of the 'Right to Buy' scheme.

Housing need has remained at a consistently high level in Lisburn and Castlereagh and is focused in the main urban settlements with projected need over the next 15 years at approximately 2500 units. Future housing mix in new build developments will need to cater for singles, small families and older persons along with any potential changes associated with Welfare Reform.

Increasingly, areas of housing need are emerging in locations where the Housing Executive does not own land in the council area. Housing associations report difficulties in obtaining sites in areas of housing need throughout the LCCC area. Housing associations are having to acquire sites on the open market and are therefore subject to market price fluctuations. As land availability becomes increasingly restricted, NIHE are working closely with LCCC in its preparations of the Local Development Plan (LDP) to ensure that there is sufficient land available for affordable housing during the lifetime of the LDP.