

# **Housing Market Analysis Update**

**Antrim & Newtownabbey  
Council Area**

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**Housing**  
Executive



**The Housing Market Analysis Update Publication has been produced by the Housing Executive's North Regional Place Shaping Team. For further information please contact:**

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## Contents

<b>LIST OF TABLES</b>	<b>3</b>
<b>LIST OF FIGURES CHARTS AND MAPS</b>	<b>4</b>
<b>SECTION 1: INTRODUCTION AND CONTEXT</b>	
<b>Introduction</b>	<b>6</b>
<b>Overview</b>	<b>6</b>
<b>Housing Market Areas</b>	<b>8</b>
<b>Policy Context</b>	<b>10</b>
UK Government Spending	10
Northern Ireland Budget	10
The UK's Relationship with the European Union	11
Welfare Reform	12
The Northern Ireland draft Programme for Government	14
Housing White Paper 'Fixing Our Broken Housing Market'	16
The Housing Strategy 2012-17	17
Supporting Strategies	17
Community Planning	18
Planning Policy Context	18
Conclusions	21
<b>Northern Ireland Housing Market</b>	<b>22</b>
Tenure	22
Affordability and House Prices	23
Transactions	30
New Build	30
Conclusions	31
<b>SECTION 2: HOUSING MARKET DRIVERS</b>	
<b>Economy</b>	<b>33</b>
International and UK Economy	33
Northern Ireland Economy	33
Antrim and Newtownabbey Economy	34
Future Prospects	38
<b>Demographic Trends</b>	<b>39</b>
Population Trends & Projections	39
Minority Ethnic Communities	40
Household Trends	41
Household Projections	42
Future Prospects	44
<b>Regeneration</b>	<b>45</b>
<b>Empty Homes</b>	<b>47</b>

<b>SECTION 3: TENURES</b>	
<b>Social Housing</b>	<b>49</b>
Social Housing in Antrim and Newtownabbey	49
Social Housing Need	52
Homelessness	54
Supported Housing	55
Asset Management Strategy	56
Traveller Housing Need	57
Future Prospects	59
<b>Private Rented Sector</b>	<b>60</b>
Expansion of the Private Rented Sector	60
Tenant Profile	62
Dwelling Stock	63
Affordability	65
Houses in Multiple Occupation	66
Future Prospects	66
<b>Owner Occupation</b>	<b>68</b>
House Prices and Affordability	69
Transactions	70
Housing Stock	71
Intermediate Housing	72
Future Prospects	74
<b>CONCLUSION</b>	
<b>Conclusion</b>	<b>76</b>

## List of Tables

Table 1: Housing Growth Indicators 2012 to 2025	19
Table 2: Northern Ireland House Price by Property Type	24
Table 3: Repayment Affordability	27
Table 4: Loan to Value Affordability	28
Table 5: Multiplier Weighting Ratio	29
Table 6: Antrim and Newtownabbey GVA by Economic Sector, 2016	36
Table 7: Employees by subdivision, 2015	37
Table 8: Employee Share by Industry 2015	37
Table 9: Gross Weekly Pay	38
Table 10: Population 2001 to 2011	39
Table 11: Place of Birth of Residents of Antrim and Newtownabbey 2011	41
Table 12: Household Trends 2001-2011	42
Table 13: Household projections 2017-2037	42
Table 14: Household projections by household type 2017-2037	43
Table 15: Antrim and Newtownabbey Dwellings by Type, 2017	44
Table 16: Tenure Breakdown Antrim and Newtownabbey 1991-2011	49
Table 17: Antrim and Newtownabbey Housing Executive Stock 2017	50
Table 18: Antrim and Newtownabbey Household Composition of housing applicants at March 2017	50
Table 19: Summary of Social Housing Need Assessment for Antrim and Newtownabbey by Settlement	53
Table 20: Homeless Figures Antrim and Newtownabbey	54
Table 21: Number of Landlords and Private Tenancies	60
Table 22: Average rent by property type 2017	64
Table 23: Average rent by number of bedrooms 2017	64
Table 24: Median Wages	69
Table 25: Repayment Affordability Antrim and Newtownabbey	69
Table 26: Loan to Value Affordability	69
Table 27: Multiplier Weighting Ratio	70

## List of Figures, Charts and Maps

<b>FIGURES</b>	
Figure 1: Draft Programme for Government Outcomes	15
Figure 2: Ending Homelessness Together Objectives	55
<b>CHARTS</b>	
Chart 1: Tenure Breakdown Antrim and Newtownabbey and Northern Ireland 1991-2001	22
Chart 2: Tenure Breakdown NI 2015/16	23
Chart 3: NI Average House Prices for Quarter 1 2008-2017	24
Chart 4: NI Mortgage Cases Received 2007-16	25
Chart 5: New Private Sector Residential Development Starts 2005-2016	30
Chart 6: Claimant Counts in NI and Antrim and Newtownabbey 2005-2015	36
Chart 7: Percentage of Population by Age 2001 and 2016	39
Chart 8: Social Housing Waiting List Trends 2011-2017	50
Chart 9: Housing Executive Stock In Antrim and Newtownabbey by Bedroom Numbers	51
Chart 10: Percentage of Private Rented Sector in Antrim and Newtownabbey 1991-2011	59
Chart 11: Private housing benefit claims in Antrim and Newtownabbey 2009-2017	62
Chart 12: Properties Let by Type, July - December 2016	63
Chart 13: Let Properties by Bedroom Numbers, July to December 2016	63
Chart 14: Owner Occupied Sector In Antrim and Newtownabbey, 1991-2011	67
Chart 15: House Price at Q3 2005 – 2017, Antrim and Newtownabbey	68
Chart 16: Sales by House Type, Antrim and Newtownabbey 2005-2016	69
Chart 17: Housing Stock by House Type, 2017	70
Chart 18: Private Sector New Build Starts. Antrim and Newtownabbey 2010-2016	71
<b>MAPS</b>	
Map 1: Council Area Boundaries	9

# **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 is a precondition for the enjoyment of several human rights, including the right 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 supply a variety of housing options and can enhance the supply of land for housing, to encourage mixed income development to reduce segregation and exclusion.

The purpose of a Housing Market Analysis is to provide evidence, in order to develop integrated housing policies and approaches. Therefore, this HMA Update can inform LDPs housing policies contained in both the Plan Strategy and Local Plan Policy Stages, to increase a household's access to appropriate housing.

The Housing Executive published 11 Housing Market Analysis from 2011 to 2013. These were not based on council boundaries but on housing market areas, defined using Travel to Work Areas. The purpose of this document is to provide an update on the current housing market and housing issues in the Antrim and Newtownabbey area. Unlike the previous document this report will be based on the Antrim & Newtownabbey Council area in order to provide councillors, planners, the public and other stakeholders with an accessible evidence base which can be referred to when taking decisions on housing and planning strategies, at Council level.

## Overview

The Department of the Environment, now the Department for Infrastructure, issued the Strategic Planning Policy Statement (SPPS) in September 2015. The SPPS states that the process of allocating land for housing should consider:

- RDS Housing Growth Indicators
- Use of the RDS evaluation framework
- Allowance for existing housing commitments
- Urban capacity studies



- Allowance for Windfall housing
- Application of a sequential approach and identification of suitable sites for settlements of over 5,000 population
- Housing Needs Assessment/Housing Market Analysis
- Transport Assessments

The SPPS states that the Housing Executive will carry out the 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 Local Development Plans facilitate a reasonable mix and balance of housing tenures and types.’

This HMA Update provides a regional and local housing market context, identifying key housing market drivers, and provides an overview of the three main tenures, social housing, (including general needs supported and traveller accommodation), the Private Rented Sector and Owner Occupied sector. The main housing market drivers, identified for Antrim and Newtownabbey include:

- Economy;
- Demographics;
- Empty homes;
- Regeneration

It should be noted that there is a lack of current and/or local data for some of the drivers and categories of housing need. In these instances we have used the latest data that is available. While it would be beneficial to have some of this information updated, we still believe that these records can be useful to identify regional and local trends.

In addition, an Annual Social Housing Need Assessment update will be presented to the Council each year in order to assist the Council in the monitoring and review of the Local Development Plan (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 housing market areas in Northern Ireland. The purpose of identifying housing market areas is to gain a spatial understanding of how the housing market functions. This can help determine housing priorities and policy decisions and help guide plans for housing.

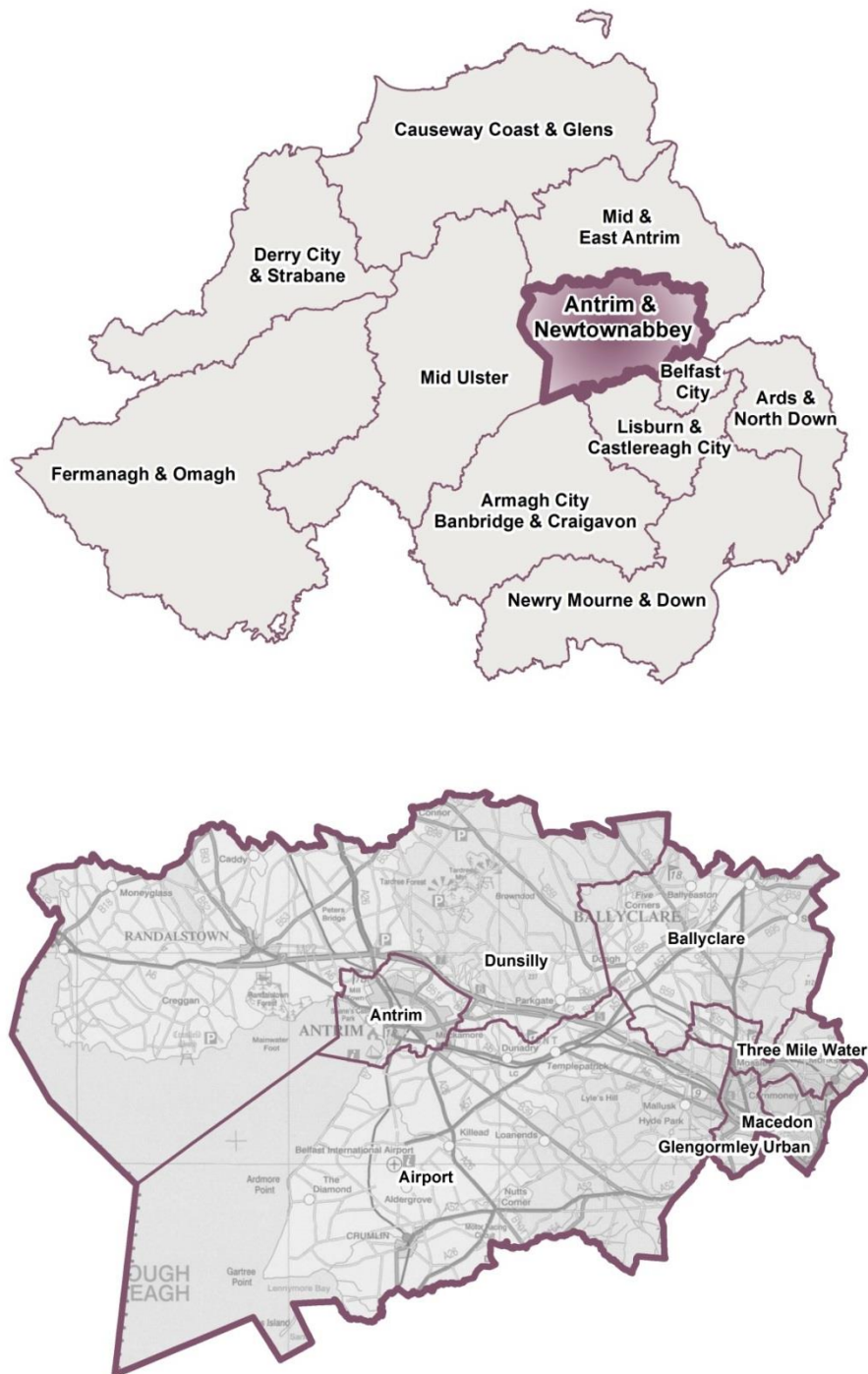
Housing markets function over a spatial area that reflects the housing and location choices of consumers rather than administrative boundaries. Housing demand is largely self-contained at the housing market area level. It is the area within which most adults live and work. It is also the area within which most households will search for housing and where a change of residence unconnected with a change in employment or education will occur.

Housing market area 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 Housing Market Areas, 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, housing market area 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 Antrim & Newtownabbey Borough Council, created in April 2015 following the implementation of the Review of Public Administration (RPA). All statistics in this document refer to Antrim & Newtownabbey unless otherwise stated.

**Map 1 Northern Ireland Council Boundary**



## Policy Context

This chapter describes the strategic housing and planning policy context within which the Antrim & Newtownabbey housing system functions. This chapter also takes account of the budget, policy developments and the planning environment.

### UK Government Spending

The Autumn Statement in November 2017 predicted slower growth and revised down its forecast for economy. The cut in total spending policy decisions continues with some new investment announced, including £3bn set aside for preparing for Brexit, an immediate £350m cash boost for the NHS, a £2.5bn investment fund and £500m support for the tech industry. An extra £650m for Northern Ireland was announced. and intends to raise housing supply to highest level since 1970 through measures such as:

- making available £15.3 billion of new financial support for housing over the next five years, bringing total support for housing to at least £44 billion over this period
- introducing planning reforms that will ensure more land is available for housing, and that better use is made of underused land in our cities and towns
- providing £204 million of funding for innovation and skills in the construction sector, including to train a workforce to build new homes
- increased threshold for stamp duty for first time buyers to £300,000

### Northern Ireland Budget

In the absence of a power-sharing government the Northern Ireland Civil Service prepared a one-year budget for 2017/18. The budget highlights each spending area within each department.

The key area of expenditure for Department for Communities is Welfare. The top priority for DfC in 2017-18 has been to deliver reform of the welfare system, incorporating an expanded range of services while maintaining service delivery standards. Key priorities highlighted in 2016/17, which are 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, Departmental Expenditure Limits (DEL) for DfC, in 2017/18, increased slightly from the previous year, totaling £878.8m, of this, housing was allocated £148m, and community cohesion and regeneration received and increase to £137m. Capital DEL's for DfC amounted to £125.4m, with housing receiving £97.5m, £10m less than previous year, resulting in a lower social housing new build target of 1.750 units. Community, cohesion and regeneration received £23.6.

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 to deprived communities;
- VAT and Air Passenger Duty tax: Agreed, 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.

## **UK's Relationship with the European Union**

The UK triggered the two-year process of 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 Great Repeal Bill will be enacted. This Bill will copy EU laws into UK law allowing the UK to amend or repeal

these laws over time. Negotiations continue to broker agreements and reach 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.

With regard to Northern Ireland, although a hard border may be avoided, decisions still remain on how trade will be affected. 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.

In addition, Centre for Cross Boarder Studies (2017) EU funding of €7.25bn for Northern Ireland, between 1988 and 2013, has been seen as significant for both the economy and the peace process. In January 2018 the EU president has stated that peace funds will continue and be included in the next seven year budget plan which comes into effect in 2020

## **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 in December 2015.

The changes include a benefit cap, phased in since November 2016 which sets an upper limit on the amount of income from benefits a household can receive. The benefit cap limits families to £20,000 per year and single households 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 is a new payment that aims to support households on a low income or out of work, and was introduced to Northern Ireland in Autumn 2017. It will affect working-age claimants aged 18 to 64 years old. Benefits to be replaced by Universal Credit are:

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

- Working Tax Credits
- Housing Benefit (Rental)

Universal Credit will be introduced on a phased geographical basis by Jobs and Benefits office / Social Security office for all new claims and will be introduced to Newtownabbey in May 2018 and Antrim in July 2018

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 will 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.

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.
- Throughout the UK, from January 2012, single people under the age of 35, receiving 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<sup>st</sup> August 2017.
- LHA 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.

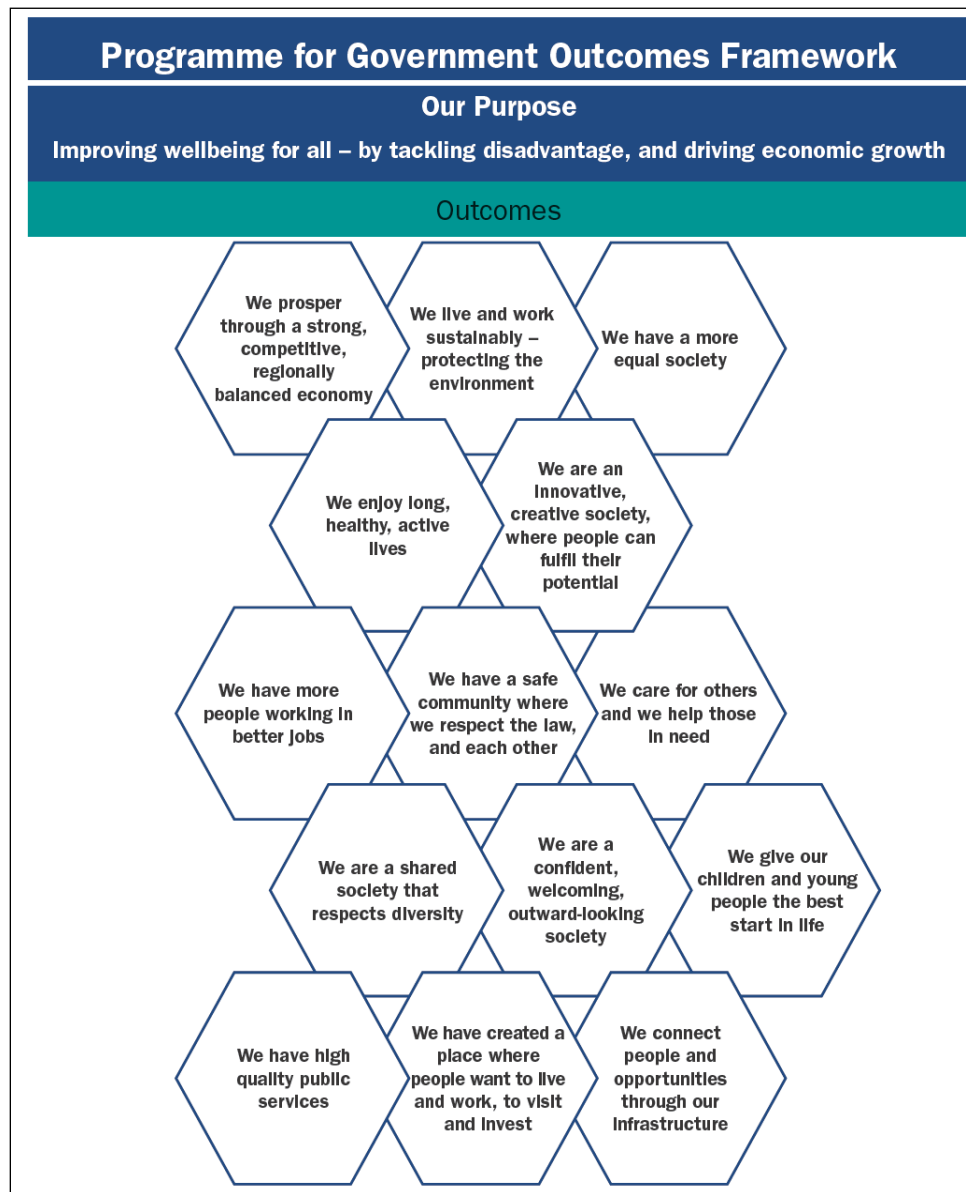


There are two mitigation schemes to help those with shortfalls in benefits. A Discretionary Housing Payment, administered by the Housing Executive, helps those whose housing benefit does not meet rent. The Welfare Supplementary Payment (WSP) scheme, administered by DfC aims to provide assistance to those 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<sup>st</sup> March 2020. The full impact of Welfare Reform may not be known until this time.

## **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 outcomes based approach, and proposes 14 outcomes and supporting 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: Draft 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 3,750 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.

## **Housing White Paper ‘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 is 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, allowing developers to build more quickly;
- to diversify the market by encouraging smaller builders and attracting 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

'Facing the Future' Housing Strategy was published by Department for Social Development (DSD), now Department for Communities (DfC), 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.

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.

## 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.

### **Antrim & Newtownabbey Community Plan 2030**

The Community Plan, published in June 2017 highlights a shared vision for 2030 where 'Antrim and Newtownabbey is a resilient, socially responsible community where citizens enjoy a high quality of life'. There are four main outcomes, each with associated actions, and a widely important goal "Our vulnerable people are supported". The outcomes are:

1. Our citizens enjoy good health and wellbeing
2. Our citizens live in connected, safe, clean and vibrant places
3. Our citizens benefit from economic prosperity
4. Our citizens achieve their full potential

## **Planning Policy Context**

### **The Regional Development Strategy (RDS)**

A second RDS 2035 "Building a Better Future", was issued by the Department for Regional Development, now the Department of Infrastructure, in March 2012. 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 between the wider Belfast area and the rest of Northern Ireland. The RDS identifies Antrim as a Main Hub and Newtownabbey as part of Belfast Metropolitan Urban Area, the major gateway and regional economic driver.

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 needs, within all tenures.

### Housing Growth Indicators

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 council area. These allocations were intended to provide a starting point for assessing future net housing additions required at the local level through the Local Development Plan process.

### RDS housing requirements for Antrim & Newtownabbey Borough Council

The RDS's regional allocation of 94,000 dwellings is shared according to the Spatial Framework, with 7,200 dwellings (7.7%) apportioned to Antrim and Newtownabbey

Table 1: Housing Growth Indicators 2012 to 2025

LGD	RDS 2035 2012-2025	
	Number	%
<b>Antrim and Newtownabbey</b>	7,200	7.7%
<b>Northern Ireland</b>	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/Housing Market prepared by the Housing Executive.

## **Local Development Plan**

The Local Development Plan will inform and deliver future planning policy framework and will be the main vehicle to identify the supply of land to meet anticipated needs for housing, employment and services including adequate infrastructure.

## Conclusions

Currently the Policy Context for the UK, Northern Ireland and Antrim and Newtownabbey is fluid, making long-term predictions difficult. At the time of writing there is uncertainty regarding Northern Ireland budgets 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 effect of the UK leaving the EU, may only emerge over several years, with decisions on the economy, the Northern Ireland/Republic of Ireland border and the status of EU nationals still to be negotiated and agreed.

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.

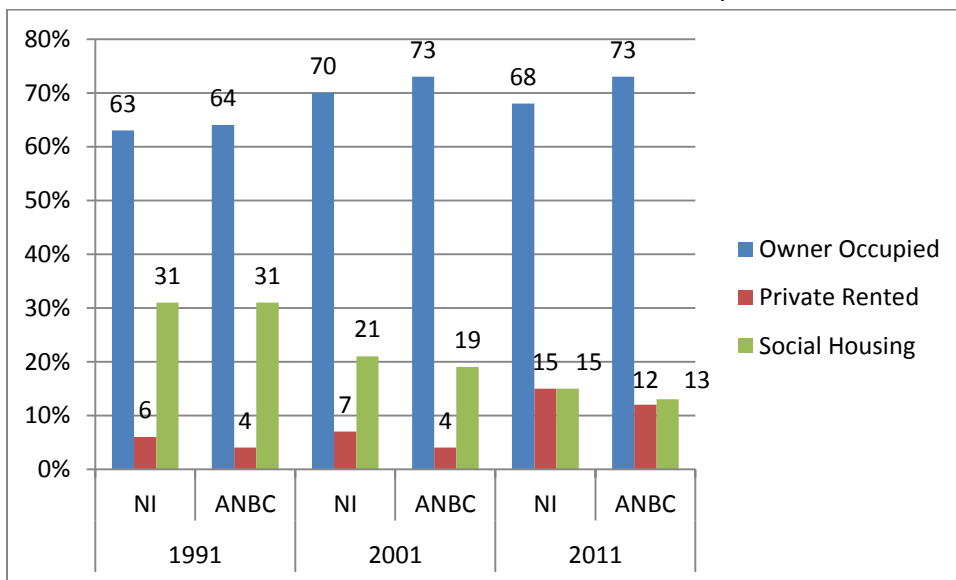
## Northern Ireland Housing Market

This chapter considers long term tenure changes and the performance of the Northern Ireland Housing Market with variations where appropriate within Council areas. 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 Northern Ireland housing market. While owner occupation has remained fairly consistent, it appears to be following a downward trend. Between 2001 and 2011, the census recorded a substantial increase in the proportion of Private Rented Sector (PRS) properties, resulting in a falling percentage share for social housing. With regard to PRS and social housing the tenure profile has changed in a comparable way, for Antrim and Newtownabbey following a similar pattern to that of Northern Ireland however owner occupation appears to be remaining strong, see Chart 1.

Chart 1: Tenure Breakdown Antrim and Newtownabbey and NI 1991-2011



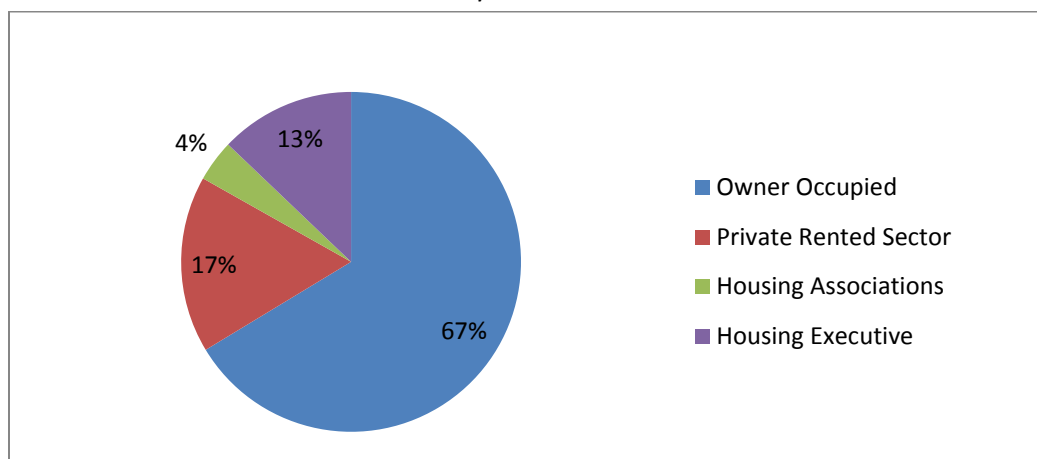
Source: NISRA

DfC's Family Resources survey estimated that by 2015/16 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 to grow mainly due to affordability problems in accessing the owner occupied market.

Chart 2 Tenure Breakdown NI 2015/16



Source: DfC

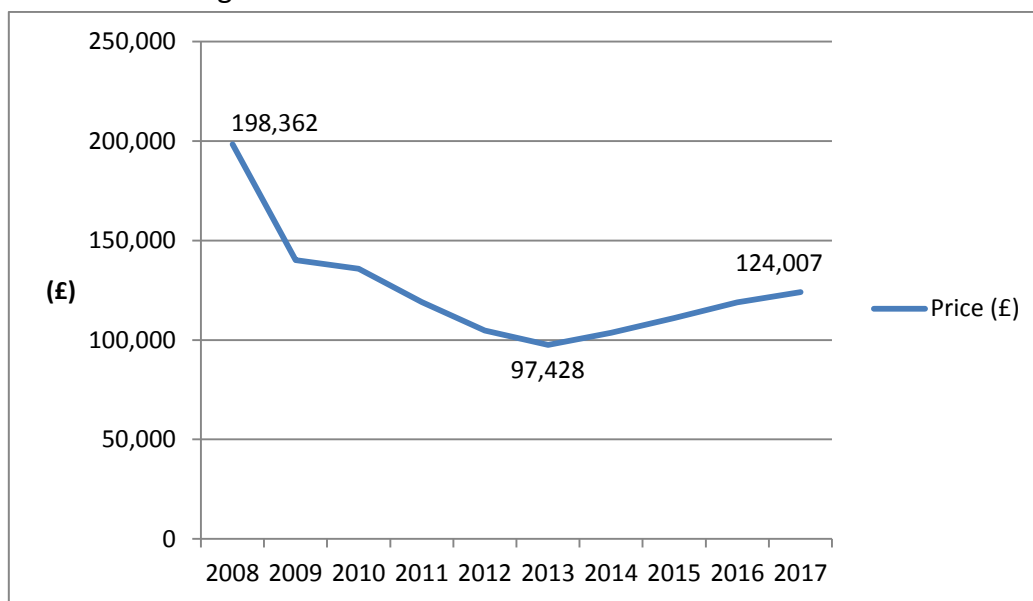
However, there has been recent increase in first time buyers entering the owner occupied market, as affordability problems have eased, and with the increasing cost for landlords due to stamp duty and tax changes, rate of PRS growth may decrease and stabilise in future years.

## 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, the continued low interest rate environment, 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 rising.

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 2007, decreased by 57% to £97,428, at the lowest point in 2013. Since this low point in 2013, house prices have been rising steadily, albeit at a fairly low rate, with average house prices now 27% higher. See Chart 3:

Chart 3 NI Average House Prices for Quarter 1 2008-2017



Source: LPS

The average house price for Northern Ireland is £124,007 for Quarter 1 (Q1) of 2017. This is an increase of 4.3% over a 12 month period. This is illustrated in Table 2:

Table 2: Northern Ireland House Price by Property Type

Property Type	Percentage Change on Previous Quarter	Percentage Change over 12 months	Standardised Price (Quarter 4 2016)
Detached	0.6%	3.6%	£186,905
Semi-Detached	0.0%	5.9%	£121,098
Terrace	-0.7%	4.8%	£85,713
Apartment	-4.5%	-0.4%	£97,242
All	0.8%	4.3%	£124,007

Source: Department of Finance

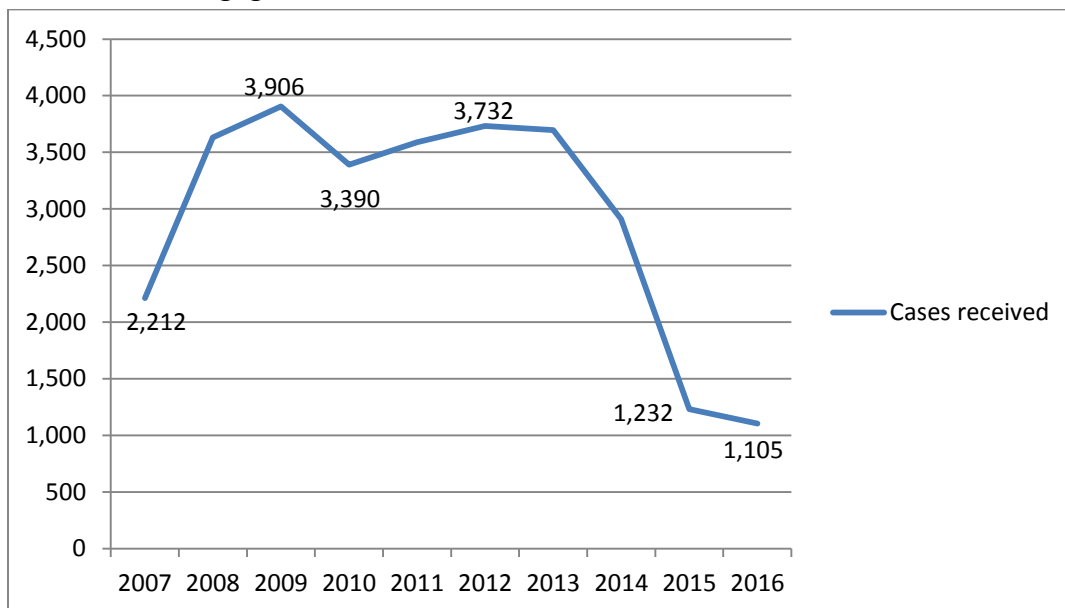
The average price of properties sold in Antrim and Newtownabbey in Q3 of 2017 was £137,242, a 2% increase on previous quarter and 4.9% increase on previous 12 months, slightly above average for Northern Ireland.

NISRA reports that median house prices, against median gross earnings show a ratio of 4.7% in 2016. This has fallen steeply from a ratio of 9.1% in 2007, when there were a high levels of affordability problems across Northern Ireland. This indicates improved affordability since the height of the market. 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. This means monthly repayments are more affordable for borrowers in Northern Ireland, than counterparts in Great Britain.

On average, first time buyers loan to value ratio was 86%, meaning an average deposit of approximately 14% was needed for those entering the owner occupied market for the first time. Loan to value ratios averaged at 89% for first time buyers in 2005.

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

Chart 4: NI Mortgage Cases Received 2007-2016



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 or re/possession, as the parties can still negotiate a compromise.

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

- Change in circumstances like 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 mortgage cases have fallen significantly. The Department of Justice records that 322 mortgage cases were received by the Royal Courts of Justice in Belfast during Quarter 1 of 2017 (January to March). This represents a 13% decrease of cases received from the same period in 2016 (371), and is the lowest volume of cases received during the January to March quarter since the records began in 2007.

However, while affordability has improved, issues remain. The Council of Mortgage Lenders (CML) reports that negative equity has been the biggest 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. Increasing house prices, however, have eased the pressures of negative equity for some households.

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.

### **House Price Index**

Ulster University also produces a House Price Index each quarter. This Index uses sub regional geographies, which are not necessarily coterminous with council boundaries.

Repayment affordability highlights the level of unaffordable stock, based on dwellings sold. The latest available University of Ulster Affordability Index (2016),

see Table 3, shows mortgage 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 repayment affordability improved across all regions of Northern Ireland in 2016, with the exception of Mid Ulster council area. Antrim and Newtownabbey is mid table being the sixth most affordable region in Northern Ireland, with 58% of properties sold considered to be unaffordable for those on median incomes. Although house prices have increased over the last 4 years, the percentage of unaffordable properties has decreased.

Table 3: Repayment Affordability

	2012		2014		2016		
	Aff Gap(£)	% Unaff	Aff Gap(£)	% Unaff	Aff Gap(£)	% Unaff	Rank unaff
North Down & Ards	29,821	58%	37,717	52%	38,620	49%	9th
Armagh & Craigavon	19,739	58%	18,657	57%	4,909	71%	2nd
<b>Antrim &amp; Newtownabbey</b>	<b>18,277</b>	<b>66%</b>	<b>15,706</b>	<b>59%</b>	<b>21,329</b>	<b>58%</b>	<b>4th</b>
Belfast	3,820	73%	7,400	67%	-601	75%	1st
Carrickfergus & Larne	63,691	25%	67,140	25%	82,935	23%	11th
Derry, Strabane & Limavady	5,832	68%	15,524	68%	23,385	50%	8th
Fermanagh & Omagh	50,949	27%	36,342	38%	41,927	43%	10th
Newry, Down & Banbridge	16,408	63%	18,370	62%	16,860	66%	3rd
Lisburn & Castlereagh	8,920	69%	18,321	63%	28,470	58%	4th
Magherafelt, Cookstown & Dungannon	19,461	58%	30,867	45%	16,552	58%	4th
Moyle, Ballymena, Ballymoney & Coleraine	21,199	57%	24,467	53%	21,427	54%	7th

source: University of Ulster, 2017

The deposit gap, see Table 4 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 annual disposable incomes 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. Antrim and Newtownabbey is the sixth most affordable region in terms of the deposit gap and has savings ratio has remained consistent.

Table 4: Loan to Value Affordability

	2012		2014		2016		
	Income %	Savings Ratio	Income %	Savings Ratio	Income %	Savings Ratio	Rank unaff
North Down & Ards	37.86	1.26	35.63	1.19	38.76	1.29	9th
Armagh & Craigavon	37.23	1.24	38.57	1.29	49.42	1.65	2nd
<b>Antrim &amp; Newtownabbey</b>	<b>39.73</b>	<b>1.32</b>	<b>41.59</b>	<b>1.39</b>	<b>42.03</b>	<b>1.40</b>	<b>6th</b>
Belfast	46.95	1.57	44.87	1.5	52.48	1.75	1st
Carrickfergus & Larne	24.55	0.82	24.71	0.82	23.30	0.78	11th
Derry, Strabane & Limavady	45.81	1.53	40.28	1.34	39.08	1.30	8th
Fermanagh & Omagh	25.34	0.84	33.26	1.11	34.49	1.15	10th
Newry, Down & Banbridge	41.14	1.37	40.69	1.36	44.52	1.49	4th
Lisburn & Castlereagh	45.83	1.53	42.41	1.41	41.78	1.39	7th
Magherafelt, Cookstown & Dungannon	40.26	1.34	35.7	1.19	45.17	1.51	3rd
Moyle, Ballymena, Ballymoney & Coleraine	39.44	1.31	38.56	1.29	43.11	1.44	5th

Source: University of Ulster, 2017

The University of Ulster combine 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. Based on the Multiplier Weighting Ratio, overall affordability improved in Antrim and Newtownabbey in 2016 and it is the fifth most affordable region in Northern Ireland (see Table 6). Affordability may have increased during the last 12 months, despite house price rises, due to more relaxed lending criteria for first time buyers.

Table 5: Multiplier Weighting Ratio

	<b>Multiplier weighting ratio 2013</b>	<b>Multiplier weighting ratio 2014</b>	<b>Multiplier weighting ratio 2015</b>	<b>Multiplier weighting ratio 2016</b>	<b>Rank unaff 2016</b>
North Down & Ards	0.508	0.438	0.612	0.633	9th
Armagh & Craigavon	0.714	0.443	1.128	1.170	2nd
<b>Antrim &amp; Newtownabbey</b>	<b>0.878</b>	<b>0.426</b>	<b>0.872</b>	<b>0.813</b>	<b>5th</b>
Belfast	1.007	0.448	1.307	1.312	1st
Carrickfergus & Larne	0.199	0.303	0.285	0.179	11th
Derry, Strabane & Limavady	0.74	0.506	0.597	0.651	8th
Fermanagh & Omagh	0.394	0.343	0.563	0.494	10th
Newry, Down & Banbridge	0.784	0.457	1.034	0.980	3rd
Lisburn & Castlereagh	0.971	0.446	1.040	0.808	6th
Magherafelt, Cookstown & Dungannon	0.533	0.378	0.708	0.873	4th
Moyle, Ballymena, Ballymoney & Coleraine	0.655	0.412	0.815	0.776	7th

Source: University of Ulster, 2017

## Transactions

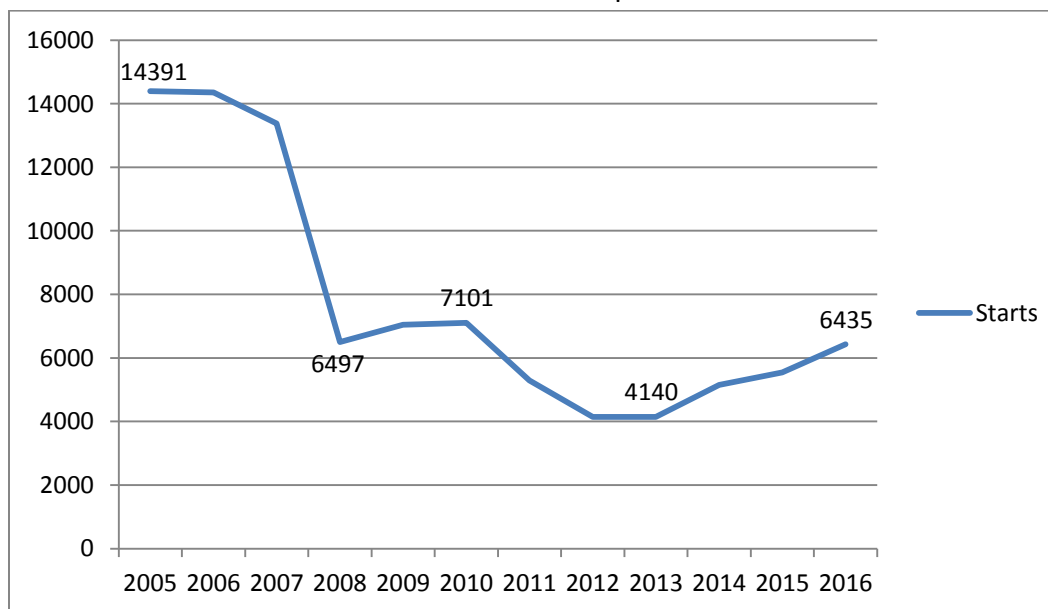
Transactions also demonstrate an improving housing market. Between 2008 and 2011, the annual number of sales was approximately 11,000 each year, however, since 2012, the number of transactions has increased each year, with 22,713 sales occurring during 2016, a change of 106%. Borrowing by first time buyers and home movers has increased significantly since 2012.

In 2016, 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, which is an increase of 7% since 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 need for new units, as set out in Housing Growth Indicators (HGI). Private new build starts have also continued to increase at a small rate in Antrim and Newtownabbey.

Chart 5: New Private Sector Residential Development Starts NI 2005-2016



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



Across NI, 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 to 2016/17). This means, to reach HGIs by 2025, an additional 8,863 homes need to be constructed each year.

Residential planning applications have fallen significantly from a high of 24,749, in 2005/6 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 residential 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, there remain structural issues that could adversely affect household finances and the housing market in the 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 less houses have negative equity, higher levels of inflation and a consequent rise of interest rates could lead to higher housing costs. In addition, commentators have 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 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 in 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 June 2017, the World Bank estimates that global economic growth will strengthen to 2.7% in 2017 and 2.9% in 2018/19. The Emerging Market and Developing Countries will account for more than 75% of global growth. Growth in the Euro Zone is predicted to grow by 1.7% in 2017, followed by 1.5% in 2018 and 2019; this is similar to the rate of growth in the UK.

At the March 2017 Budget, the Office of Budget Responsibility (OBR) forecast the UK economy by to grow by 2% in 2017. The growth rate is now predicted grow at a lower rate in the medium term. Growth in 2018 is predicted to be at 1.6%, with growth in 2019 at 1.7%, 1.9% growth in 2020, returning to 2% growth in 2021.

Sterling depreciation in 2016, has led to increased inflation at 2.6% in July 2017, higher than the 2.4% predicted for the year, and the Bank of England target of 2%. This is the highest level of inflation since June 2013. Inflation puts pressure on household finances and leads to slower consumer spending and subdued private investment. 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 predicted that the Northern Ireland economy will grow by 1.2% in 2017 and 1.0% in 2018. The rate of growth expected in the short - medium term is below the 1.6% growth in 2016, which was the strongest rate of growth, since 2007.

However, the weaker pound has supported an increase to net exports, with the year to Q1 2017, experiencing an increase of 11.7%. 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 professional, scientific and technical sector is expected to be the fastest growing in Northern Ireland this year (4.3%), closely followed by information and communication sector (4.2%) and the administration and support sector (4.1%). The wholesale and retail trade sector is forecast to make the biggest contribution to overall GVA growth in 2017.

Over the year there has been an increase of 1.4% in employee jobs. The Northern Ireland unemployment rate is expected to rise slightly to 5.4% in 2018, due to flat employment growth and an increase in the labour force.

Uncertainty with Stormont and Brexit pose significant challenges although progress has been made on the border and it is expected a deal on transition and separation is more likely than not, and that a multi-year transitional period from 2019 will eventually give way to the UK and EU cooperating under the terms of a free trade agreement. The nature of the border with Republic of Ireland will have an important influence on the Northern Ireland economy, as this remains Northern Ireland's biggest export market, with 30% of exports destined for the Republic of Ireland, in 2016.

## **Antrim and Newtownabbey Economy**

### **Economic Performance**

The Office of National Statistics reports in Antrim and Newtownabbey in 2016:

- GVA (Gross Value Added)(balanced income and production approach) was worth £2,853 million, approximately 7.7% of the Northern Ireland total, roughly equivalent to the population ratio of Antrim & Newtownabbey which is 7.6% of the population of Northern Ireland.
- GVA per head was £20,230 in 2016, above the NI average of £18,777

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

Table 6: Antrim and Newtownabbey GVA by Economic Sector, 2016

Economic Sector	GVA £m
Agriculture, mining, electricity, gas, water, waste	131
Manufacturing	400
Construction	263
Distribution, Transport, Accommodation & Food	765
Public Administration (including education and health)	614

Source: the Office of National Statistics

Table 6 shows that Distribution, Transport, Accommodation & Food are the most important economic areas in Antrim and Newtownabbey.

### Employment Trends

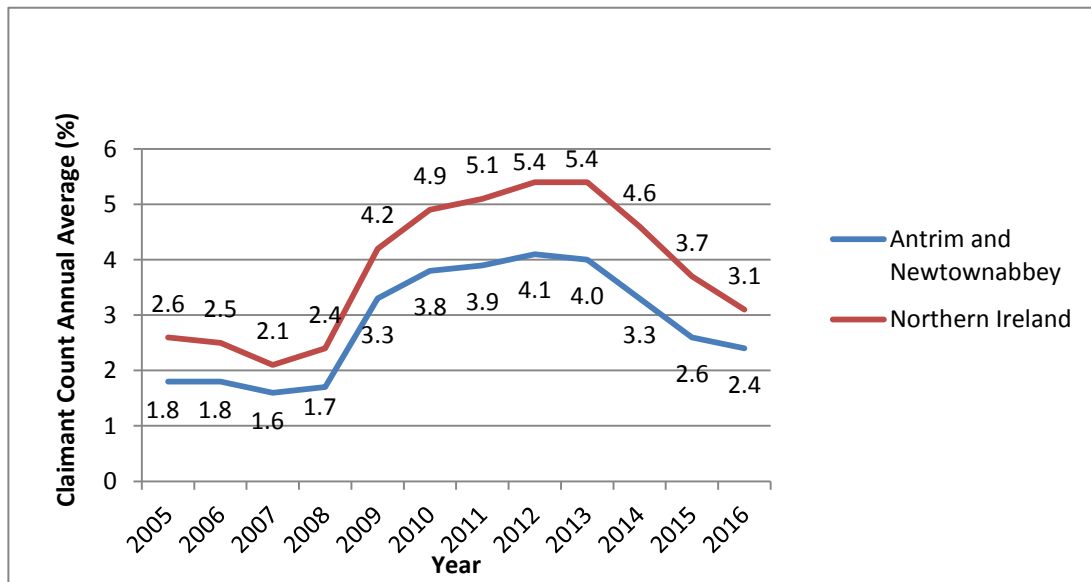
The Department of Finance statistics for 2015 show economic activity in Antrim and Newtownabbey at 75.2% is at a higher rate than the Northern Ireland figure of 72.9%. The employment rate was also higher in Antrim and Newtownabbey at 70.7%, compared to the Northern Ireland average of 68.4%. Of those employed, part time employment was slightly lower in Antrim and Newtownabbey (22%), than in NI (23.4 %). However, there is concern over numbers of redundancies. There were 409 redundancies during 2016, an increase from the 106 redundancies during 2015; and 282 redundancies in 2014.

Antrim and Newtownabbey had an average of 2160 claimants in 2016, at a rate of 2.4%, 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, with a smaller 7.3% decrease in Antrim and Newtownabbey. Of the claimant count in Antrim and Newtownabbey:

- 26.8% claimants were in the age group 18-24, higher than NI average of 24.8%
- 30.5% of claimants were considered long term unemployed (over 6 months). This was less than the Northern Ireland average of 36%.

Past claimant count trends, are shown in Chart 6 below:

Chart 6 Claimant Count in NI and Antrim and Newtownabbey 2005-2016



Source: NINIS, 2017

This chart shows claimant counts in Antrim and Newtownabbey have followed the same trend as the Northern Ireland rate, albeit at a lower percentage level. Claimant count peaked in 2012, slightly before the NI peak of 2013, with a slowly improving economy after this point. It remains to be seen whether this improving employment picture can be sustained, with uncertainty reigning in the economy.

### Labour market structure

The Antrim and Newtownabbey job market is dominated by services, both public and private, with 81% of employees working in this sector, less than Northern Ireland as a whole (83.1%). Table 7 shows the share of jobs across the main industries.

Table 7: Employees by subdivision, 2015

	Employee Jobs total	Full Time (%)	Part Time (%)	Manufacture (%)	Construction (%)	Services (%)
<b>Antrim &amp; N'abbey</b>	61,000	78.9	21.1	13.2	4.6	80.6
<b>Northern Ireland</b>	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 9 below, indicate that in 2015 in Antrim and Newtownabbey, like Northern Ireland, the highest proportion of employees worked in Health and Social Work, & Wholesale, Retail and Repairs. There were also relatively high numbers of employees in Manufacturing.

Changes to the employee share by industry, in Antrim and Newtownabbey, since the lowest part of the recession in 2013, identifies increases in Professional, scientific & tech jobs (17.5%), as well as manufacturing (15%) which may account for increase in wages. highest decreases of 18.3% were in real estate and arts & entertainment.

Table 8: Employee Share by Industry 2015

Standard Industrial Classification (SIC07)	Northern Ireland		Antrim and Newtownabbey	
	No.	%	No.	%
All Industries	717,105	100.0%	<b>55,937</b>	<b>100.0</b>
Other	9,955	1.4%	894	1.6
Manufacturing	80,013	11.2%	7,370	13.2
Construction	31,406	4.4%	2,587	4.6
Wh'sale & Retail Trade; Repairs	125,216	17.5%	10,829	19.4
Transport & Storage	25,684	3.6%	5,240	9.4
Accommodation & Food	45,770	6.4%	2,766	4.9
Information & Communication	19,131	2.7%	981	1.8
Financial and Insurance	17,903	2.5%	473	0.8
Real Estate	6,638	0.9%	241	0.4
Professional, Scientific & Tech	28,500	4.0%	1,465	2.6
Admin and Support	51,288	7.2%	3,160	5.6
Public Admin. & Defence	53,228	7.4%	1,835	3.3
Education	69,467	9.7%	5,485	9.8
Health & Social Work	123,372	17.2%	10,969	19.6
Arts, Entertainment & Rec	14,429	2.0%	660	1.2
Other Service Activities	15,105	2.1%	982	1.8
All Services	595,731	83.1%	45,086	80.6

Source: Department of Finance

## Incomes and Earnings

In 2017 Antrim and Newtownabbey had amongst the highest gross weekly pay across Northern Ireland, with only Belfast showing higher weekly wages. Increase in wages since 2013 is significantly higher than NI average.

Table 9: Gross Weekly Pay Antrim and Newtownabbey

	Median Wage 2013	Median Wage 2017	Increase	Average increase NI
<b>All</b>	£374.20	£444.70	£70.50 (19%)	£44 (13%)
<b>Full Time</b>	£446.20	£517.50	£71.30 (16%)	£33 (8%)
<b>Part Time</b>	£149.20	£178.70	£29.50 (20%)	£26 (17%)

Source: NINIS

## Future Prospects

There are a number of risks, which could have implications for the Northern Ireland and the Antrim and Newtownabbey economy. These include political instability, further austerity and an expected impact of the UK leaving the EU on consumer spending and business investment. Although it has been agreed there will be no hard border in Northern Ireland potential barriers for businesses in relation to the EU single market and cross-border trade are still concerns.

Productivity in Antrim and Newtownabbey can be seen to be performing well and the rate of employment has been shown to be traditionally higher than the NI average. 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. For example the 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 Antrim and Newtownabbey.

### Population Trends and Projections

Table 10 shows population change for the Council from the 2001 and 2011 censuses. Over this period, the population increase of Antrim and Newtownabbey at 7.9% is slightly higher than the Northern Ireland increase.

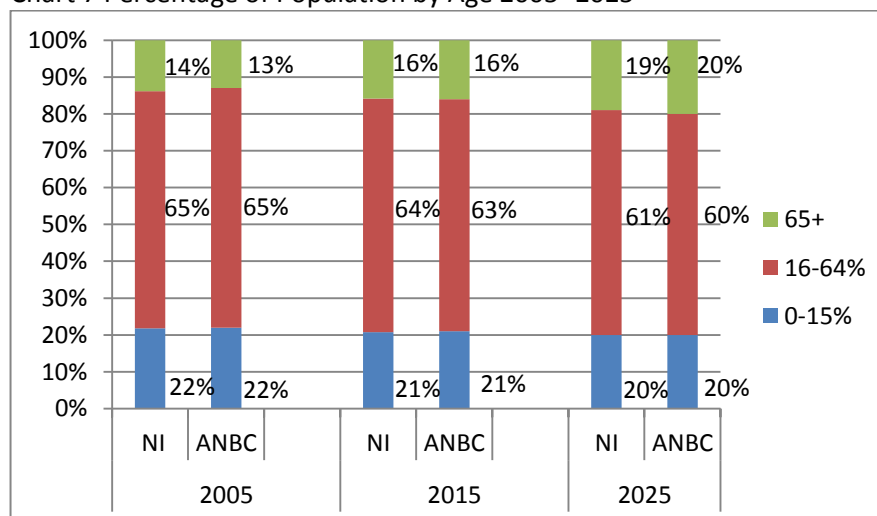
Table 10: Population 2001 to 2011

	2001	2011	Change 2001-11 (%)
<b>Antrim and Newtownabbey</b>	128,361	138,567	7.9
<b>Northern Ireland</b>	1,685,300	1,810,900	7.5

Source: NISRA

Chart 7 estimates the composition of Antrim and Newtownabbey population by age band from 2005 to 2025. It shows that the population within each age group in Antrim and Newtownabbey is comparative to the Northern Ireland average. Currently, in the Council area 64% of people are of working age, followed by children at 21% and 16% were older people. Since 2001, older persons have increased in percentage of the population compared to reduction in other age groups.

Chart 7 Percentage of Population by Age 2005- 2025



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 (see Table 12, Chart 8 and Map 2).

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 communities 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 Republic of Ireland 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 Antrim and Newtownabbey in 2011, the most frequent languages spoken as a main language, other than English or Irish, are Polish, Lithuanian, Slovak and Chinese. The Census, National Insurance numbers and births to mothers born outside of Northern Ireland, show increased numbers of migrants after 2001, although with a substantial drop since 2007

Such increase in migrants will have had an effect on the housing market. Anecdotal evidence suggests many migrant workers, in Northern Ireland, live in accommodation tied to their employment or in the Private Rented Sector, including Houses of Multiple occupation. 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.

Table 11 below shows the place of birth for people resident in Antrim and Newtownabbey LGD. Of the 138,567 residents of Antrim and Newtownabbey, 7,358 were born outside the UK or Ireland. This represents 5.3% of the population, which is above the Northern Ireland average of 4.5%.

Table 11: Place of Birth of Residents of Antrim and Newtownabbey, 2011 Census

Place of Birth	Number of Residents	% of Total Usual Residents
Northern Ireland	124,343	89.7%
UK	6866	5.0%
Republic of Ireland	1483	1.1%
Europe (outside of UK & ROI)	2984	2.2%
Africa	476	0.3%
Middle East & Asia	1669	1.2%
North America and Caribbean	433	0.3%
Central and South America	65	0.05%
Oceania	247	0.2%
<b>All Usual Residents</b>	<b>138,567</b>	<b>100%</b>

Source: NISRA

In 2015 14.5% of births in Antrim and Newtownabbey were from mothers born outside Northern Ireland, this is one the lowest rates in Northern Ireland, and is at similar levels to 2001 figures (highest percentage in 2011). 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.

Although migration has contributed to the components of population change in Antrim and Newtownabbey, the largest change and increases in population, are mainly due to natural change.

However, 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 Antrim and Newtownabbey. While the number of external migrants moving into the area is likely to decrease, this could mean that future components of population change could be more influenced by natural change or out migration.

## 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 is of most

significance is older people that outlive their partners continue to live alone for a longer time.

Table 12: Household Trends 2001-2011

	2001	2011	Change 2001-2011	
			Number	%
<b>Antrim and Newtownabbey</b>	48,480	54,035	5,555	11.5
<b>Northern Ireland</b>	626,718	703,275	76,557	12.2

Source: NISRA

Household figures, summarised in Table 12, suggest that from 2001 to 2011:

- The number of households in Antrim and Newtownabbey increased by 11.5%, which is below the Northern Ireland rate of 12.2%;
- The 2011 census shows that 27% of Antrim and Newtownabbey households were 1 person and 32% of households were 2 person;
- The average household size in Antrim and Newtownabbey was 2.5.

## 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 13. This shows that 61,296 households may be living in Antrim and Newtownabbey by 2037, which is a 10% increase over the term 2017-2037. This is less than the Northern Ireland projected change.

Table 13: Household projections 2017-2037

<b>LGD2014</b>	<b>Total households 2017</b>	<b>Total households 2027</b>	<b>Total households 2037</b>	<b>Change 2017-2037</b>
<b>Antrim and Newtownabbey</b>	55,641	59,000	61,296	10.2%
<b>Northern Ireland</b>	730,299	777,590	812,650	11.3%

Table 14 shows projections by household type. Household growth will be driven by an increase in single person & two person adult households; the rate of growth is projected to be lower than the Northern Ireland total. It also shows that there is likely to be a comparatively sharp decline in the number of households with children, with the current proportion of 31% of households with children, dropping to 25% by 2037. It should be noted that household projections are calculated in a policy neutral environment.

Table 14: Household Projections by Household Type 2017-2037

	2017	2037	Change 2017-37	
			Number	%
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%
Antrim & Newtownabbey				
Single person households	14,997	18,702	3,705	25%
Two adults without children	15,939	19,024	3,085	19%
Other households with no children	7,761	8,523	762	10%
Lone adult with children	3,565	3,165	-400	-11%
Other households with children	13,379	11,882	-1,497	-11%
All households	55,641	61,296	5,655	10%

Source: NISRA

Table 15, below, shows the current housing by type in Antrim and Newtownabbey 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 40% of all stock. We can also calculate that smaller households (single households and two adults without children), currently make up 56% 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 Antrim and Newtownabbey, across all tenures, will be required to meet future household need.

Table 15: Antrim and Newtownabbey Dwellings by Type 2017

	<b>Apartment</b>	<b>Detached</b>	<b>Semi detached</b>	<b>Terrace</b>	<b>Total</b>
<b>Number</b>	6,424	19,693	15,508	17,052	58,677
<b>Percentage</b>	11%	34%	26%	29%	100%

Source: LPS

## Future Prospects

The increase in smaller households means that the housing needs of people could be met through an increased supply of smaller units. However, not all one or two people households may want to live in a smaller property if they can afford a larger property.

The 2011 census states that 28% of people had a long-term health problem or disability, which limited their day-to-day activities. This proportion is likely to increase with an estimated 34% of the population of Antrim and Newtownabbey being aged 65+ by 2037. The 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.

Since the EU referendum, there is uncertainty regarding status of EU migrants. It remains to be seen whether EU nationals will return home or remain, and to what extent EU migration will continue after the UK leaves the EU.

## Regeneration

### Antrim Town Centre Masterplan

Antrim Town Centre Masterplan and Delivery Strategy was approved by Antrim Borough Council in April 2010. The aim of the Masterplan was to guide the delivery of an appropriately scaled, high quality retail led scheme and to help drive forward the regeneration activity over the following 10 years.

### Newtownabbey Regeneration Strategy

A Regeneration Strategy for Ballyclare and Glengormley was launched in March 2011. Creating two distinct plans the strategy plans for the medium to long term regeneration of the town centres over 20 years. Although housing is not specifically highlighted in the masterplans, destination of the town centre as a place to live, work and play is a theme throughout.

The Vision for Ballyclare is

*“Ballyclare will be a safe, attractive, market town and a destination of choice for shopping, leisure opportunities and tourism. It is a clean, bright, safe, and green family town centre that the local people are proud of.”*

The design concept for Ballyclare town centre has four key components:

- Retain the existing quality of the historic market town (both the structure and the buildings);
- Take advantage of the large areas of development opportunity sites to create a vibrant, sustainable town centre that attracts people from the town and further afield
- Create connections that knit together the old part of the town centre around The Square and Main Street and the newer area to the east around ASDA, Woodside's and the Six Mile Leisure Centre;
- Create an offering that keeps people in the area and adds life and vitality to the town centre of which people are proud of and which caters for all their needs without having to travel to a competing centre.

Glengormley masterplan states:

*“Glengormley will be a destination of choice and a focal point for the surrounding communities, providing an accessible and convenient range of high quality leisure and entertainment, banking and professional financial services.”*

The design concept for Glengormley town centre has four key components:

- Restore the critical mass of a more compact core, with shops and services providing for local day-to-day needs;
- Improve the public realm by mitigating the negative effect of the main road network, principally Antrim Road, by promoting pedestrian connectivity and creating safe, attractive civic spaces;
- Create a different kind of offer to the south. This should take advantage of the site’s location on one of the principal routes into Belfast from the north, and its connectivity with the wider transport network.



## Empty Homes

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

It is difficult to accurately assess number of vacant properties. According to census 2011 there were 3000 vacant properties recorded in Antrim and Newtownabbey while Land & Property Services (LPS) assessed 1,516 vacant properties in 2012. DfI’s 2012 Housing Growth Indicators methodology paper estimates that there will be 4,600 empty properties in Antrim and Newtownabbey by 2025. This figure was derived from the Housing Executive’s Housing 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.

On further analysis of LPS /rate collection agency data up to 2012 it seems highest concentrations of vacants were likely related to MOD properties, and generally vacant properties in Antrim and Newtownabbey were below average for Northern Ireland.

## Conclusion

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 recording within rural areas. It should also be noted that the 2011 House Condition Survey states that unfitness is associated with vacant units, especially in isolated rural areas. An unfit dwelling is one lacking one or more basic amenities. With a reduction in private sector grants, including home replacement grants, unfit and vacant homes could be a sustained problem across rural areas. These isolated properties can also be removed from regeneration initiatives, which tend to occur at settlement level.

Further information would be valuable for designing policy responses. The publication of the Housing Executive’s 2016 House Condition Survey in 2018, may be able to supply additional information on this issue.

## **Section 3: Tenures**

## Social Housing

Social housing in Northern Ireland is defined as housing provided at an affordable rent by registered Social Landlords 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 Antrim and Newtownabbey

According to the 2011 Census Antrim and Newtownabbey has a lower proportion of social housing at 13% compared to 15% for Northern Ireland as a whole

Table 16: Tenure Breakdown Antrim and Newtownabbey and Northern Ireland 1991-2011

Tenure	Owner Occupation		Social Rental		Private Rental		Other *	
	N. Ireland	Antrim & N'abbey	N. Ireland	Antrim & N'abbey	N. Ireland	Antrim & N'abbey	N. Ireland	Antrim & N'abbey
<b>CENSUS</b>								
<b>2011</b>	68%	73%	<b>15%</b>	<b>13%</b>	15%	12%	2%	2%
<b>2001</b>	70%	73%	<b>21%</b>	<b>19%</b>	7%	4%	2%	3%
<b>1991</b>	63%	64%	<b>31%</b>	<b>31%</b>	6%	4%	n/a	1%

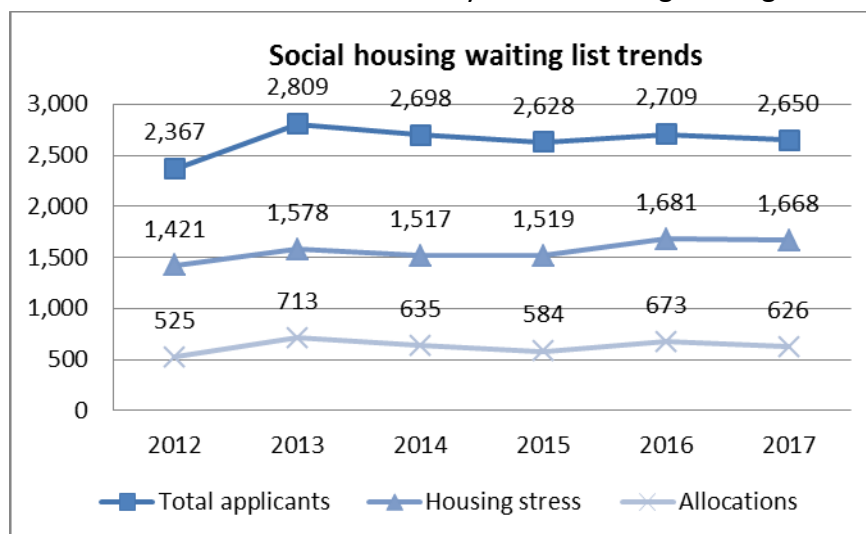
A profile of Housing Executive stock is highlighted below. There remains over 6,500 Housing executive units with over 10,000 units sold. There are approximately 800 no Housing Association Properties in Antrim and Newtownabbey with almost 200 under construction in 2017.

Table 17 Antrim and Newtownabbey Housing Executive stock March 2017

	Bungalow	Flat	House	Maisonette	Cottage	Total	Void
<b>Current Stock</b>	1,039	2,216	3,217	35	10	<b>6,517</b>	<b>115</b>
<b>Sold Stock</b>	527	777	8,965	46	70	<b>10,385</b>	

Waiting list trends for the last five years in Antrim and Newtownabbey show a fairly constant picture with a slightly downward trend in number of overall number of applicants but a slight increase in the numbers of applicants in Housing stress. The number of allocations has also remained fairly constant. In common with the rest of Northern Ireland, single applicants make up the largest group on the waiting list.

Chart 8: Antrim and Newtownabbey Social Housing waiting list trends



Source NIHE

Table 18: Antrim and Newtownabbey Household composition of housing applicants at March 2017

Type	Single person	Small Adult	Small Family	Large Adult	Large Family	Older Person	Total
Applicant	1,185	154	646	66	154	445	2,650
<b>App (HS)</b>	<b>759</b>	<b>71</b>	<b>427</b>	<b>36</b>	<b>84</b>	<b>291</b>	<b>1,668</b>
Allocation	254	22	191	<10	59	92	626

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

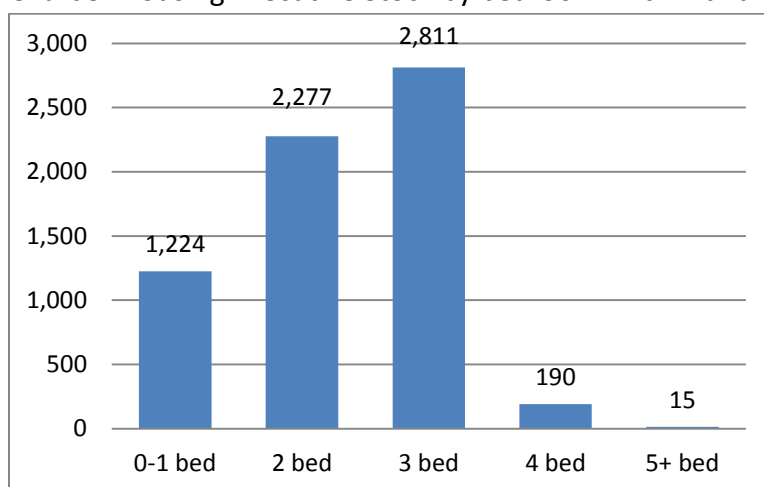
### Definition of Household Types

<b>Single person</b>	1 person 16-59 years old
<b>Older person</b>	1 or 2 persons aged 16 or over, at least 1 over 60
<b>Small adult</b>	2 persons 16-59 years old
<b>Small family</b>	1 or 2 persons aged 16 or over, with 1 or 2 children
<b>Large family</b>	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
<b>Large adult</b>	3 or more persons aged 16 or over with or without 1 person aged 0-15

The areas of highest need often 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 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.

Smaller households account for the bulk of the waiting list. 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 redevelopment programmes which mainly provided larger family housing.

Chart 9: Housing Executive Stock by bedroom Antrim and Newtownabbey March 2017



## **Social Housing Need**

The Housing Executive has a statutory responsibility under the Housing NI Order 1981, 'to regularly examine housing condition and need'. Social housing includes general needs, supported housing needs and Travellers Accommodation.

The Social Housing Need Assessment is carried out to determine the level of additional accommodation required to meet housing need for general needs applicants who have registered on the Common Waiting List. Information is gathered from a number of sources to enable the Housing Executive to assess the level of social housing need for a geographic area. The level of social housing need is projected for a five year period.

The latest 5 year assessment for 2017-2022 shows that 912 new social homes are required to meet demand in that time period. The long-term projections for up to 2030 should be viewed with caution as the projection is based on the assumption that current trends will continue in the future, in a policy neutral environment, therefore, the figures should be read as a simple indicator. These figures could be subject to change due to policy direction, welfare reform, the rate of household growth and economic and housing market fluctuations. This projection will be reviewed annually by the Housing Executive and will be set out in Annual Housing Need Assessments.

Table 19 Social New Build Requirement for Antrim and Newtownabbey by Settlement

<b>Settlement</b>	<b>Social Housing Need (Units) 5 Year (2017-22)</b>	<b>Social Housing Need (units) 2017-2030</b>
<b>Newtownabbey Urban</b>		
Rathcoole	47	120
Rushpark	84	220
Rathfern	11	30
Bleachgreen	6	15
Whiteabbey (Abbeyville, Glenville, Abbeyglen)	56	145
Longlands/Bawnmore/Old Mill	71	185
Hightown	19	50
Felden	45	25
Ballyduff	42	110
Central Glengormley (Glenvarna, Queens Park/Avenue)	123	320
Monkstown	27	70
Mossley	48	125
Hyde Park/Parkmount	10	25
<b>Antrim Town</b>	136	350
<b>Crumlin</b>	101	260
<b>Randalstown</b>	52	135
<b>Ballyclare</b>	13	35
<b>Parkgate/Templepatrick</b>	13	35
<b>Doagh/Kelburn Park</b>	6	15
<b>Oakview/Roughfort</b>	2	5
<b>Toomebridge</b>	0	0
<b>Ballynure</b>	0	0
<b>Total social new build Requirement Antrim and Newtownabbey</b>	<b>912</b>	<b>2275</b>

## Homelessness

One of the main reasons for the increase in the proportion of social housing applicants in Housing stress is the ongoing problem of homelessness. The Housing Executive has had a statutory duty to assess homelessness since 1989. The number of homeless applicants in Antrim and Newtownabbey has decreased over the past five years, however the numbers of those accepted as homeless has remained constant. Not all those accepted as homeless require temporary accommodation but around 100 households per year are placed in temporary accommodation, ranging from hostels to short term lets.

Table 20 Homeless Figures Antrim and Newtownabbey

Year	No. of homeless presenters	No. of homeless acceptances	Households placed in temporary accommodation
<b>2012/13</b>	1,721	963	120
<b>2013/14</b>	1,462	781	104
<b>2014/15</b>	1,366	913	78
<b>2015/16</b>	1,530	1,099	103
<b>2016/17</b>	1,398	1,006	102

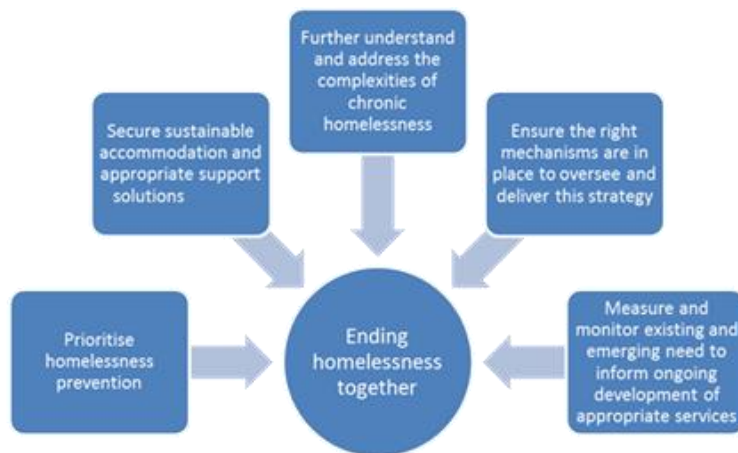
Source: NIHE

Such figures place a heavy burden on social housing 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 permanent accommodation and temporary accommodation, if required. This has an impact on the overall 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”.



Figure 2: Ending Homelessness Together Strategy Objectives



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](http://www.nihe.gov.uk/northern%20ireland%20homelessness%20strategy.pdf)

It is accepted by government that homelessness is a cross cutting issue and the Strategy will therefore be supported by a Cross Departmental Action Plan led by the DfC 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 which in Antrim and Newtownabbey in 2016/17 amounted to £2.52 million and supported 842 people. Accommodation can be self-contained or shared. 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) funding will impact on this sector in future.

In addition to supported housing the Housing Executive also assesses the need for accommodation for people with a disability, most notably wheelchair users. The total projected wheelchair housing requirement within social housing in Antrim and Newtownabbey is 39 units for the period 2017-22. Recent DfC guidance to Housing Associations also stipulates a requirement that 6%, (increasing to 10% by 2021) of the Social Housing Development Programme is generic wheelchair units of two or three bedroom units, built in line with space standards set out in DfC's Housing Association Guide.

## **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 is currently examining its 32 tower blocks, 6 of which are in Antrim and Newtownabbey, as part of the overall Asset Management Strategy. This analyses each block in terms of investment need, management and maintenance costs and housing demand.

Resulting from the Asset Management Strategy, the Housing Executive plans to increase its annual spend on capital improvements and planned maintenance in Antrim and Newtownabbey from £5.85m in 2016/17 to £7.86m 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. Housing association rents are generally much higher than the Housing Executives', making them much more susceptible to reductions in housing benefit as a result of welfare reform.

According to DfC's Northern Ireland Housing Statistics 2015-16, the average public sector rent in Scotland and Northern Ireland has remained below the comparable rent for England and Wales, over the past decade. Between 2002/03 and 2015/16, the average annual Housing Executive rent increase was 4.2%. In 2016, the average Housing Executive weekly rent was £66.60; with the average gross weekly housing association rent (including rates and service charges), being 47% higher and net rent 15% higher.

## **Traveller Housing Need Assessment**

Promoting Social Inclusion Working Group on Travellers report, published in December 2000, recommended:

'The Northern Ireland Housing Executive should undertake a comprehensive strategic needs assessment of current and projected accommodation requirements of all Travellers in consultation with Traveller organisations, members of the Traveller communities and District Councils.'

The fieldwork and analysis of the third Comprehensive Traveller Accommodation Needs Assessment was published in February 2015. The three-year Traveller Accommodation Programme (2015-2018) has been formulated to reflect the findings of the needs assessment. The Northern Ireland programme includes the following types of scheme:

- Group Housing: Residential housing development with additional facilities and amenities specifically designed to accommodate extended families on a permanent basis;
- Serviced Site: A range of managed accommodation where Traveller families have a permanent base to park caravans or erect timber framed sectional buildings; electricity, water and sewerage disposal are provided together with other facilities such as communal or individual amenity units; and
- Transit Site: A basic facility where Travellers may park caravans on a temporary basis and where electricity, water and sewerage disposal are provided.

**Currently, there is no Traveller need identified for Antrim and Newtownabbey District.**

## Future Prospects

The proportion of households living in the social rented sector across Antrim and Newtownabbey, in common with the rest of Northern Ireland and the UK, has been declining for many years. The rate of this downward trend has slowed in recent years. Over the medium term, the most likely 'policy neutral' scenario is that further changes in the size of the sector are likely to be minimal. Low average income levels and the high need for housing benefit will limit the capacity of tenants to purchase their current home or to purchase homes on the open market.

Similar to the housing market as a whole, the overall trend within the social housing market has been a move to smaller household size. The majority of applicants are small households, with two thirds of those in housing stress in Antrim and Newtownabbey being one or two person households. It is expected the demand for small units will continue, especially with Welfare Reform proposals being introduced.

Social housing will remain an important component of the overall housing market in Antrim and Newtownabbey over the period of the LDP. Based on current projections, almost 1,000 new social homes are required in the Borough in the next 5 years, with almost 2,300 units within the timescale of the Plan. 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 impact on social housing with implications for housing stock, potential transfers within stock, increased arrears and house sales under the Right to Buy.

The Housing Executive's Asset Management Strategy is very welcome and timely and will ensure that a supply of well-maintained properties is available for rental

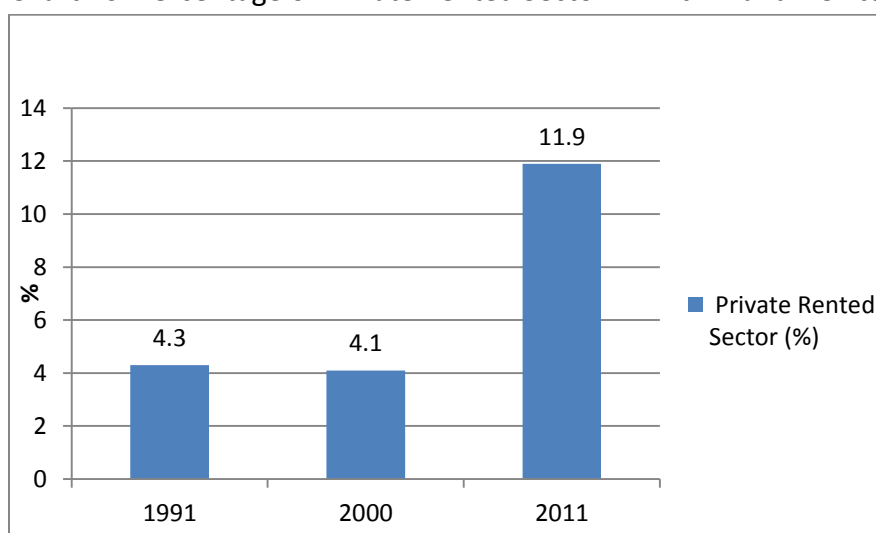
## Private Rented Sector

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).

### Expansion of the Private Rented Sector

According to the 2011 census, the proportion of privately rented properties in Antrim and Newtownabbey was 12%, which is less than the Northern Ireland average of 15%. The PRS has grown dramatically in the last 20 years, as shown in Chart 10. The PRS can be considered to have increased in line with the buoyant housing market, until 2007. Increases in house prices and readily available finance made this sector attractive for Buy to Let landlords. This was seen as an investment, which could provide capital and revenue incomes for the long term, offering larger returns than a pension, 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 occupation market.

Chart 10: Percentage of Private Rented Sector in Antrim and Newtownabbey 1991-2011



Source: NISRA

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 unable to sell their property rented it privately to pay their mortgage. There was also ongoing demand for those who found mortgage finance difficult to access. The Department for Communities and Local Government (DCLG) estimated that in 2014, 18% of households in Northern Ireland were in private rented accommodation.

The Housing Executive commissioned Ulster University to carry out a suite of research into aspects of the PRS. *Performance of the Private Rented Sector in Northern Ireland January- June 2017* examines trends in lettings and rental levels from the second half of 2013 to mid 2017. There has been a gradual downward trend in the number of lettings throughout the research period, although for 2017 transaction volumes increased slightly. Average rental levels over the same period increased from £534 to £595 (£544 in Antrim and Newtownabbey). 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 enable them to 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. A tenant 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 states that the Landlord Registration database showed in 2016, that 84% of registered landlords own one or two properties, with few landlords owning five or more dwellings.

Table 21: Number of Landlords and Private Tenancies

	Number of private tenancies by Council Area	Number of Landlords by Council Area of Residence
<b>Antrim and Newtownabbey</b>	6,958	
<b>Northern Ireland</b>	102,298	40,760

Source: DfC Landlord Registration Database, January & March 2017

Welfare reform and Universal Credit could also affect the attractiveness of private renting for landlords. 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 Houses in Multiple Occupation (HMOs) as discussed under HMO section, page 67. Welfare Reform is considered in more detail under the Social Housing Chapter.

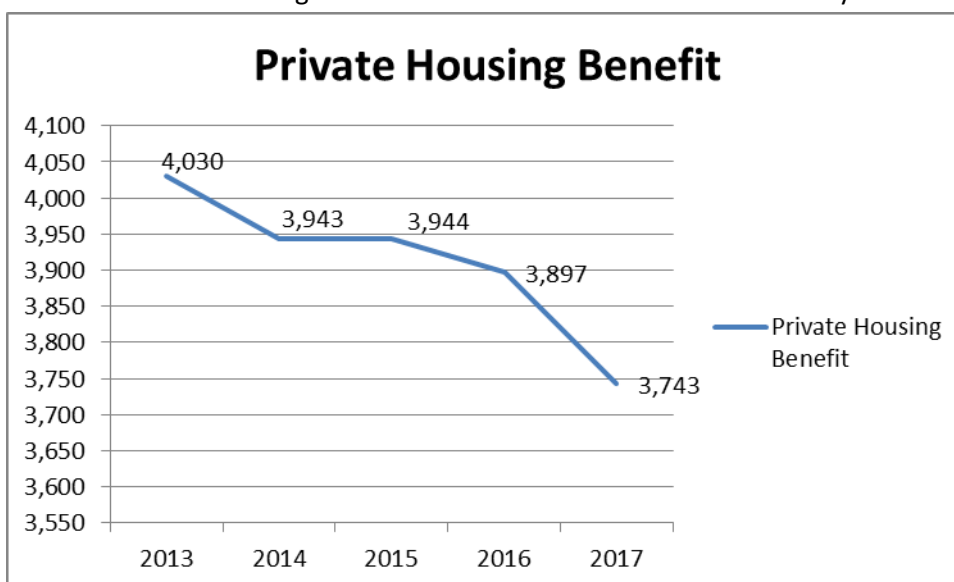
## **Tenant Profile**

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 private tenants (72%) were aged between 25 and 54, 16% were over 55 years and 12% were under 24 years. The highest proportions of households in the private rented sector are located in Belfast, due to the larger population and the presence of many young professionals and the large student population.

DfC also reported, in 2017, that the PRS is home to many households who would traditionally have lived in the social housing sector. Evidence for this, in Antrim and Newtownabbey shows at March 2017 potentially 50% of all private sector tenants are in receipt of housing benefit. Chart x also shows there has been a general reduction in claims over the past five years. The main reasons for the decline are in the changes to the Housing Benefit system introduced since 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 explain the reduction in HB claimants in the PRS.

Chart 11 Private Housing Benefit Claims in Antrim and Newtownabbey



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' July to December 2016*, provides some specific figures by council area.

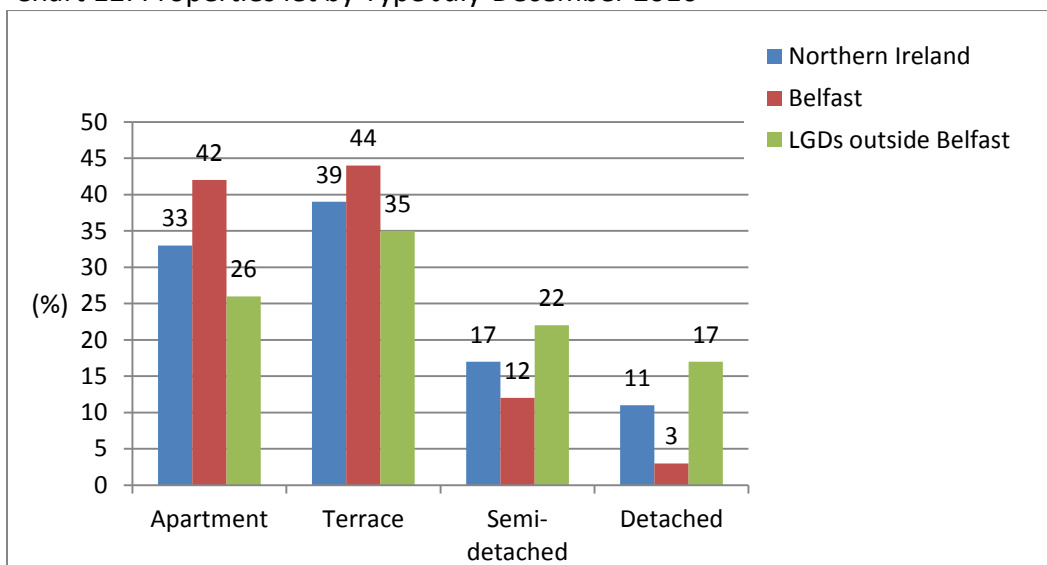
The number of properties with different bedroom numbers and house types, are important in allowing a range of households a choice of an appropriate home that meets their needs.

Terrace/townhouse properties represent the largest proportion (39%) of rented properties across Northern Ireland. Apartments account for 33% with detached units having the smallest market share.

However, there are marked differences between the proportions of property types let for Northern Ireland as a total, Belfast council area, and LGDs outside Belfast. There are significantly higher proportions of let properties being detached and semi detached in council areas outside Belfast. This is partly due to the higher numbers and proportion of detached properties within the total housing stock outside Belfast (42%) compared to within Belfast (9%). Similarly, higher portions of properties let were apartments and terraces in Belfast, due to the high proportion of these house types in all Belfast housing stock.



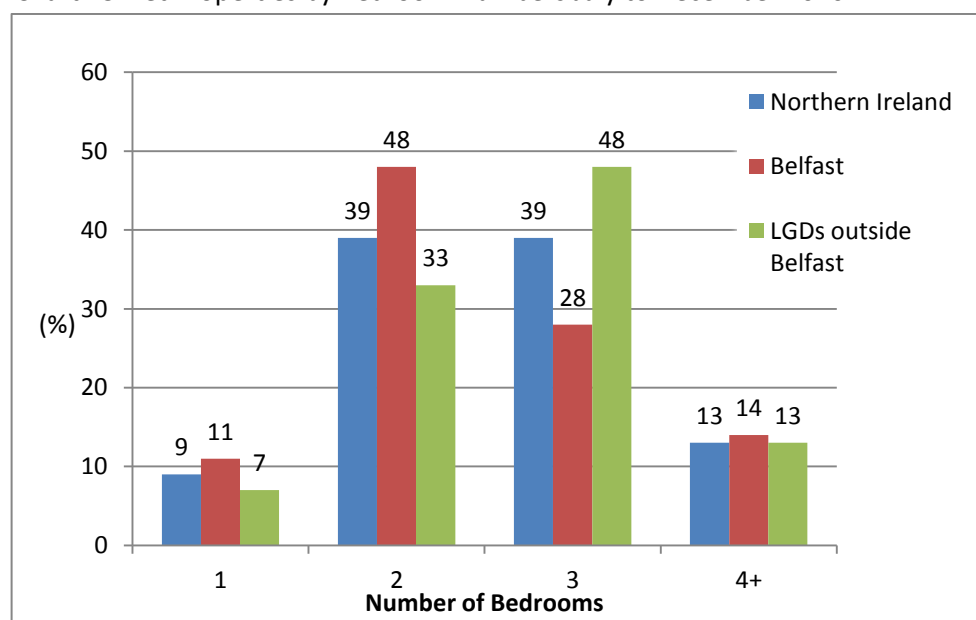
Chart 12: Properties let by Type July-December 2016



Source: University of Ulster/NIHE

While two and three bedroom properties dominated the market, there are geographical differences between rented properties by the number of bedrooms, across Northern Ireland. There is a higher proportion of let two bedroom properties in Belfast, which reflects the popularity of the smaller house types of apartments and terrace dwellings. Likewise, the high proportion of three bedroom properties outside Belfast can be seen, due to higher lets for semi detached and detached properties.

Chart 13: Let Properties by Bedroom Numbers July to December 2016



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 was approximately £595.

While a private tenant can access housing benefit, there are many on lower incomes who 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. 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 mortgages.

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.

Rents charged within Antrim and Newtownabbey are generally lower than the Northern Ireland average, with the exception of detached houses, as shown in Tables 22 and 23.

Table 22: Average rent by property type 2017

	Apartment	Terrace/Townhouse	Semi Detached	Detached	All
<b>Antrim &amp; Newtownabbey</b>	£487	£489	£563	£817	£544
<b>Northern Ireland</b>	£557	£572	£593	£726	£595

Source: University of Ulster/NIHE

Table 23: Average rent by number of bedrooms 2017

	1	2	3	4+	All
<b>Antrim &amp; Newtownabbey</b>	£413	£498	£530	£816	£544
<b>Northern Ireland</b>	£441	£536	£581	£857	£595

Source: University of Ulster/NIHE

## Houses of Multiple Occupation (HMO)

A HMO is defined as ‘A house occupied by more than two qualifying persons, being persons who are 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. Responsibility for the registration of HMOs is planned to be transferred to Councils in 2018.

HMOs can form an important element of the PRS, 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. In December 2017 there were 5,863 HMOs registered in Northern Ireland, of which 102 are located in Antrim and Newtownabbey. However, HMOs account for a small part of the PRS, comprising less than 2% of private tenancies in the area.

## Future Prospects

The lower number of rental transactions since 2013, may indicate a slowing down in the growth of the PRS. In addition, tax changes are due to be introduced in 2018, and some landlords have predicted that this may discourage new landlords entering the market and may prompt some small landlords to leave. This could signal a slowdown of growth, following the long period of expansion in the sector, and may cause some landlords to increase rents. However, commentators have stated that the risk of large-scale disinvestment is expected to be low.

While the economy and owner occupied housing market can be seen to be recovering, enduring affordability issues for many potential first time buyers, alongside high 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, as need is outstripping supply for social housing in many areas.

Renting privately may also remain popular with some households, as it can include 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 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 smaller 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 are rising, accidental landlords may leave the private rented market.

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

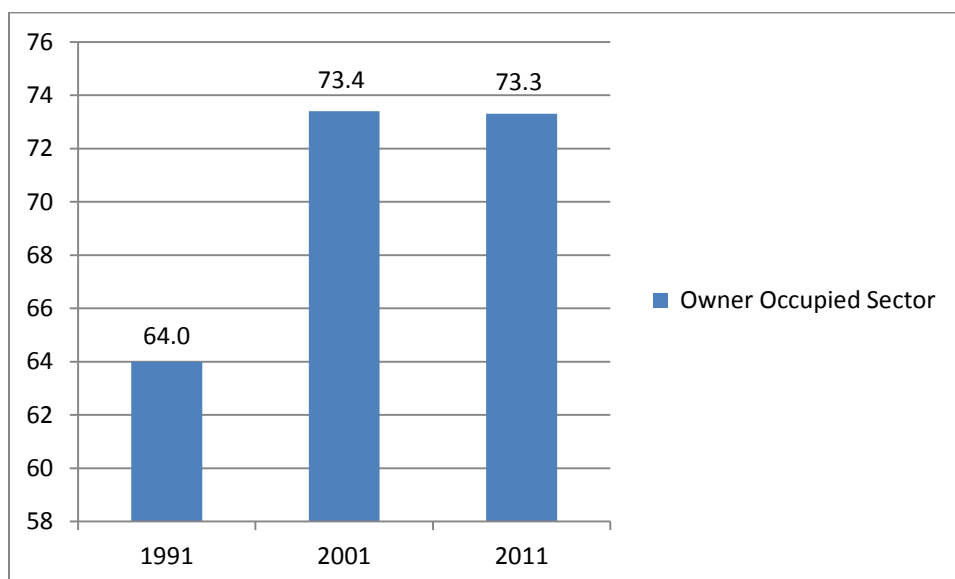
- the development of intermediate housing products, helping people into homeownership, leading to a decrease in demand;
- overseas migrants, often housed in the PRS, being compelled or wishing to leave, following the UK's departure from the EU; and
- the introduction of a new regulatory framework, for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

## Owner Occupation

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

2011 census states 73% of households in Antrim and Newtownabbey were living in the owner occupied sector, similar to the 2001 census. This differs from the trend in general for Northern Ireland in that owner occupation has reduced from 70% to 67%. Commentators have stated that the reduction in owner occupation since 2001, has been due to affordability problems, especially for potential first time buyers, who have entered the private rented market. This is supported by evidence from the 2011 Census on household reference persons' (HRP) age by tenure. This 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, or desirable, for younger people.

Chart 14 Census data on Owner Occupied Sector in Antrim and Newtownabbey 1991-2011



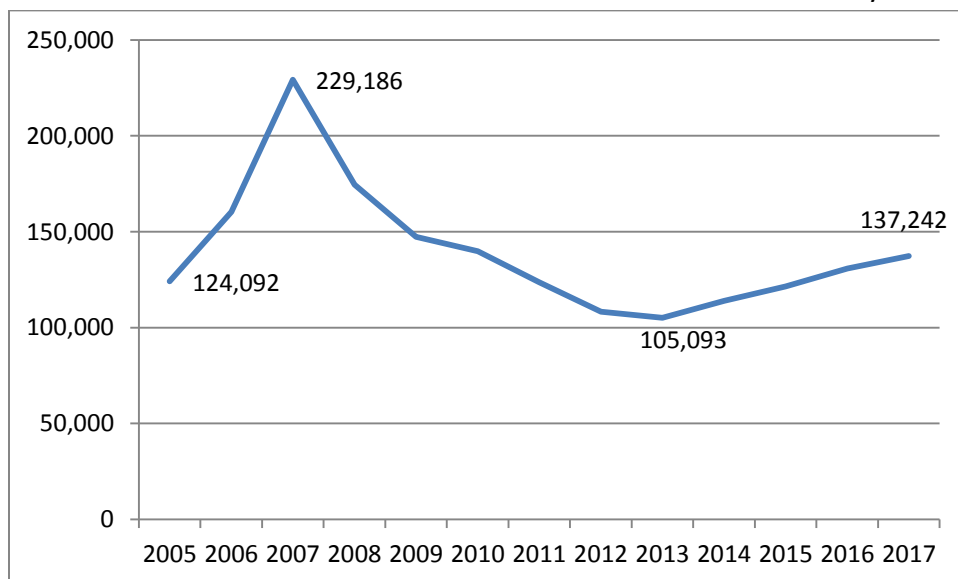
Source: NISRA

## House Prices and Affordability

Land and Property Services state the average house price in Antrim and Newtownabbey, at September (Q3) 2017 was £137,242; this was an increase of 4.9% over 12 months. This demonstrates weaker house price growth than the 6% growth across Northern Ireland.

House price trends in Antrim and Newtownabbey have followed Northern Ireland trends, albeit with a higher average price. High increases in house prices were experienced from 2005 to 2007, with house prices plummeting by 2013. Since 2013, the housing market can be seen to be recovering steadily, with house prices at Q3 of 2017 30% higher, see Chart 21.

Chart 15: House Price at Q3 2005-2017 Antrim and Newtownabbey



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. It can be seen from Table X that median wages in Antrim and Newtownabbey are higher than the Northern Ireland average.

Table 24 Median Wages

Region	All Persons Median Wage 2012	All Persons Median Wage 2013	All Persons Median Wage 2014	All Persons Median Wage 2015	All Persons Median Wage 2016
Antrim and Newtownabbey	*n/a due to sample size	£18,896	£20,234	£20,958	£22,149
Northern Ireland	£18,693	£18,473	£19,485	£20,348	£20,953

Source: University of Ulster, 2017

Repayment affordability highlights the level of unaffordable stock, based on dwellings sold. University of Ulster Affordability Index 2016 (see Table 25), shows repayment affordability and includes an 'affordability gap'. This is explained in more detail in section 2 on Northern Ireland Housing Market and House Price Index on page 35 however to recap Antrim and Newtownabbey is the sixth most affordable region in Northern Ireland, with 58% of properties sold considered to be unaffordable for those on median incomes. Although house prices have increased over the last 4 years, the percentage of unaffordable properties has decreased.

Table 25: Repayment Affordability Antrim and Newtownabbey

	2012		2014		2016		
	Aff Gap(£)	% Unaff	Aff Gap(£)	% Unaff	Aff Gap(£)	% Unaff	Rank unaff
<b>Antrim &amp; Newtownabbey</b>	<b>18,277</b>	<b>66%</b>	<b>15,706</b>	<b>59%</b>	<b>21,329</b>	<b>58%</b>	<b>4th</b>

Source: University of Ulster, 2017

Antrim and Newtownabbey is the sixth most affordable region in NI in terms of the deposit gap (ability to save for a deposit). This measure illustrates continuing challenges for prospective homebuyers wishing to access owner occupation.

Table 26: Loan to Value Affordability Antrim and Newtownabbey

	2012		2014		2016		
	Income %	Savings Ratio	Income %	Savings Ratio	Income %	Savings Ratio	Rank unaff
<b>Antrim &amp; Newtownabbey</b>	<b>39.73</b>	<b>1.32</b>	<b>41.59</b>	<b>1.39</b>	<b>42.03</b>	<b>1.40</b>	<b>6th</b>

Source: University of Ulster, 2017

The University of Ulster 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 in Antrim and Newtownabbey in 2016 and it is the fifth most affordable region in Northern Ireland

Table 27: Multiplier Weighting Ratio Antrim and Newtownabbey

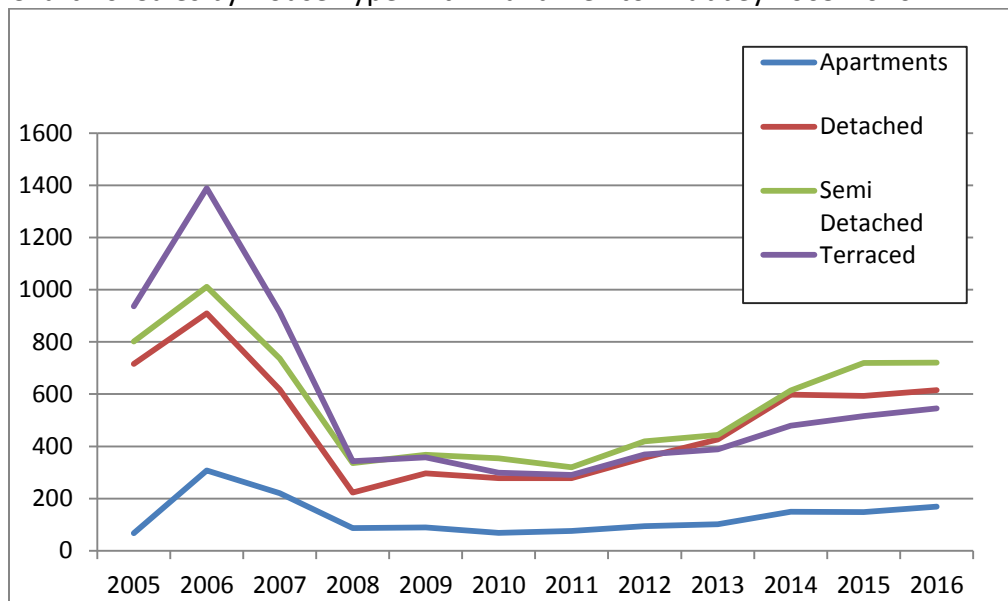
	Multiplier weighting ratio 2013	Multiplier weighting ratio 2014	Multiplier weighting ratio 2015	Multiplier weighting ratio 2016	Rank unaff 2016
<b>Antrim &amp; Newtownabbey</b>	<b>0.878</b>	<b>0.426</b>	<b>0.872</b>	<b>0.813</b>	<b>5th</b>

Source: University of Ulster, 2017

## Transactions

Increased confidence in the housing market is further demonstrated by year on year increases in the number of property sales in Northern Ireland, the most popular property types, are semi-detached and detached dwellings. In Antrim and Newtownabbey these trends are broadly reflected as shown below.

Chart 16: Sales by House Type Antrim and Newtownabbey 2005-2016



Source: Department of Finance, 2017

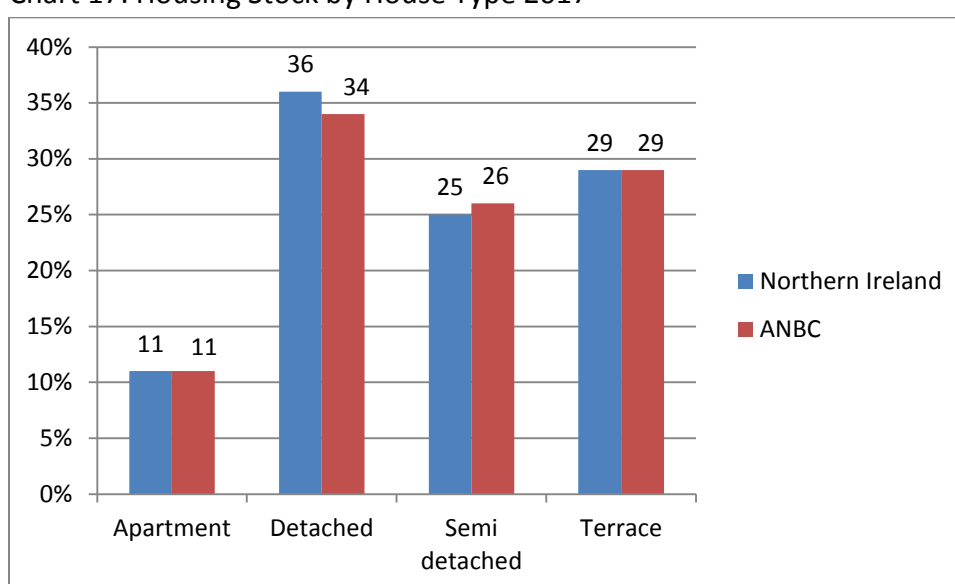


## Housing stock

The level of transactions by house type reflects the existing housing stock in Antrim and Newtownabbey, although stock figures show fewer semi-detached dwellings so clearly there is a high demand for this house type.

Since 2008 in Antrim and Newtownabbey there has been an 8% increase in housing stock, with the share of stock by house type remaining at the same levels, with 34% of dwellings being detached and 10% being apartments in 2008.

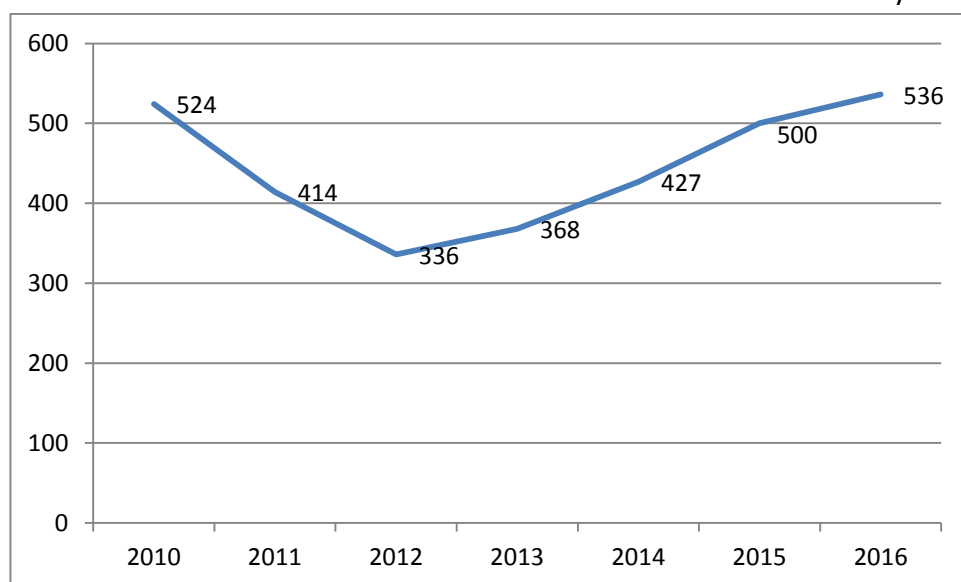
Chart 17: Housing Stock by House Type 2017



Source: Department of Finance, 2017

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 18: Private Sector New Build Starts Antrim and Newtownabbey



Source: LPS

Private sector new build shows a fall from 2010 to 2012, then signs of a sustained recovery in construction levels, as starts increased each year to 2016 (and continuing to increase), indicating an increasing level of confidence in the residential property market. Private sector starts generally support growth in numbers living in the owner occupied sector.

Within Antrim and Newtownabbey, over the last five years, while housing growth have been at a lower level than the HGIs this figure is increasing year on year and compares to the 64% of HGIs achieved for Northern Ireland. In the Antrim and Newtownabbey, since 2012, a total 2456 new units were started over a five year period (including social housing), compared to the HGI of 2770 units for five years. To achieve HGIs by 2025 an additional 4744 homes need to be constructed, or 527 units each year. This means that the rate of new construction achieved over the last 3 years needs to continue to ensure housing need is met.

## 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 local 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 Antrim and Newtownabbey, at £137,000. In 2016/17 96 properties were purchased in Antrim and Newtownabbey through Co Ownership.

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. Participating housing associations include Apex, Choice and Clanmil. Currently, there are no listed properties in Antrim and Newtownabbey. In addition, OwnCo Homes, a rent to own scheme, was established in 2016. This is a private, not for profit, subsidiary of Co Ownership, which is a fixed term rental commitment, with an opportunity for home ownership.

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 1,053 new intermediate units are needed each year with 71 units per annum in Antrim and Newtownabbey.

## Future Prospects

Evidence shows that the owner occupied market in Northern Ireland and Antrim and Newtownabbey has stabilised. This recovery has occurred over several years, since 2013, and can be seen as house prices, transactions and new build have increased in Antrim and Newtownabbey and across Northern Ireland.

Antrim and Newtownabbey has followed the same trends as the Northern Ireland housing market. Although house prices are higher than average, wages are also and ability to afford a mortgage ranks Antrim and Newtownabbey mid table in terms of affordability. However, if prices continue to increase, and with levels of inflation increasing and interest rates rises, local people who have lower median incomes may find it increasingly difficult to purchase a home.

An average of 527 new dwellings are required each year to 2025 to meet Housing Growth indicators.

# Conclusion

## Conclusion

Antrim and Newtownabbey is a mix of urban and rural areas, with rural areas benefitting from relatively easy access to urban Newtownabbey and the capital city Belfast.

Since 2013, the economy of Antrim and Newtownabbey has improved, evidenced by increasing employment rates (higher than the Northern Ireland average) and a reduction in claimant counts. Incomes are among the highest of all areas in Northern Ireland, but with house prices also higher Antrim and Newtownabbey sits middle of the table in terms of affordability to purchase a home.

Demographic trends show a projected 10% increase in the number of households by 2037. This household growth is expected to be driven by one or two person households, contributing to a decrease in average household size. The number of households with children is also projected to decline, which will influence the natural change in population levels in the long term. The population is also aging, with older people aged 60+, projected to make up approximately, a third of the population by 2037. This will increase demand for smaller houses, wheelchair standard housing and for houses which can be easily adapted.

The largest influence affecting the social housing tenure is the introduction of further Welfare Reform measures. It is predicted that the Social Sector Size Criteria, the introduction of Universal Credit, Local Housing Allowance rates being extended to the social housing sector and the shared room rate for single people under 35 in social housing will lead to increase financial difficulties for households and rent arrears.

It is thought these measures could lead to an increase in people presenting as homeless, as experienced in Great Britain, while at the same time there could be a reduction in temporary accommodation. The six week assessment time for Universal Credit is likely to deter landlords making their properties available for homeless households.

An increase in demand for smaller unit accommodation and likely increased numbers in housing stress will increase overall demand for new social housing units.

There is some evidence that the rate of growth in the private rented sector (PRS) may be slowing with tax changes, including higher stamp duties. However, the PRS will continue to be an important source of housing for those who find it difficult to access both social housing and owner occupation. Therefore, there is not expected to be a reduction in the size of the private rented market, and demand is likely to remain high. The majority of let properties are at the smaller end of the market, with demand for apartments and terraces. This demand is likely to remain, due to the smaller size of households and as housing benefit is limited to lower priced properties.

The owner occupied market is showing signs of a sustained recovery, with increase in prices, new private sector construction, and transactions. While, in 2017, there is no sign that the recovery is slowing down, it should be noted that there are enduring structural issues, including high levels of negative equity, leaving the market vulnerable to interest rate increases. There is also a lack of supply, with new build rates lower than Housing Growth Indicators. However should new build be sustained at the current rate housing growth indicators could be met.

Currently, predictions and forecasts are difficult, as the political context is uncertain. The effect of the UK leaving the EU is likely to have economic outcomes, which will be reflected in the housing market. If economic performance is adversely affected, household formation rates and in-migration could reduce, and a decrease in income or employment levels may lead to lower demand in the owner occupied sector. However, if the economy continues to improve, it is likely that the housing market in Antrim and Newtownabbey will remain buoyant. Signals will need to be carefully monitored over the next few years, to see if the housing market undergoes a new transitional phase.