



Subject:	City Centre Living
Date:	9 th August 2017
Reporting Officer:	Nuala Gallagher, Director of City Centre Development
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Restricted Reports	
Is this report restricted?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
If Yes, when will the report become unrestricted?	
After Committee Decision	<input type="checkbox"/>
After Council Decision	<input type="checkbox"/>
Some time in the future	<input type="checkbox"/>
Never	<input type="checkbox"/>

Call-in	
Is the decision eligible for Call-in?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>

1.0	Purpose of Report or Summary of main Issues
1.1	The purpose of this report to advise Committee of a suggested approach to develop discussions on city centre living.
2.0	Recommendations
2.1	Members are asked to: <ul style="list-style-type: none">• consider undertaking a study visit to examine good practice in terms of city centre housing developments in September 2017;• note the proposal to facilitate a workshop on the issue of city centre living in October 2017.

3.0	Main report
	<p data-bbox="252 241 432 275">Background</p> <p data-bbox="164 342 1433 477">3.1 In March 2017, the City Growth and Regeneration Committee received an update on work underway to identify the key issues around liveability and increasing the residential population in the city centre.</p> <p data-bbox="164 544 1406 730">3.2 In May 2017, during discussion on the City Centre Programme for 2017/18, Members discussed the importance of addressing the needs of families living in the city centre, in terms of schools and play facilities and noted that a workshop on the issue of city centre living would be held at a future date.</p> <p data-bbox="252 797 794 831"><i>Work Underway or Undertaken to date</i></p> <p data-bbox="164 898 600 931">3.3 <i>Local Development Plan</i></p> <p data-bbox="252 947 1453 1182">A Population and Housing Growth Study was completed in October 2016 to help inform the preparation of the Local Development Plan (LDP). In addition to this study, a series of Topic Papers were prepared that relate to Population Change and Housing and the City Centre, which offered an opportunity to examine the contribution the City Centre can make to supporting the potential for growing the population of the city.</p> <p data-bbox="164 1249 1406 1585">3.4 The Council undertook an extensive public consultation on the preferred options and engagement with key stakeholders which concluded on 20th April 2017. The Preferred Options Paper noted that there are underused, derelict sites and significant areas of brownfield land which we are encouraged to redevelop by regional policy and which lie within the city centre. The responses to the POP consultation were published this month and it is anticipated that the draft Plan Strategy will be published for consultation in early 2018.</p> <p data-bbox="164 1653 1453 1989">3.5 To supplement the preferred options research an Urban Capacity Study is currently underway to identify where any additional housing requirements can be accommodated, including the contribution that the City Centre can make through the re-use of vacant buildings on upper floors and housing as a component of mixed use developments. This will be incorporated into the Plan Strategy which will be subject to an independent examination before it can be adopted as the first part of the new policy framework for the city. Following adoption of the Plan Strategy, the preparation for the Local Policies Plan will</p>

be commenced including, where appropriate, work to set out more detailed policies and site specific designations.

3.6 **Department for Communities**

The Department for Communities undertook a second stage of a Review of the Role and Regulation of the Private Rented Sector with a public consultation exercise on the document taking place between January and April 2017.

The Council's response was reported to the People and Communities Committee on 7th March 2017. The Review set out proposals on:

- Supply
- Affordability
- Security of Tenure
- Tenancy Management
- Property Standards
- Dispute Resolution

3.7 In respect of housing supply, which could be of particular relevance in the city centre, it promoted the following proposals:

Supply Proposal 1: Commission work to gauge the appetite of institutional investors with existing portfolios of private rented sector properties in Great Britain to invest in Northern Ireland and the conditions needed to support such investment;

Supply Proposal 2: Explore opportunities to use money available for shared housing through the Fresh Start agreement to incentivise the development of more mixed-tenure housing areas, including private rented accommodation, underpinned by a shared ethos;

Supply Proposal 3: Scope the opportunities with housing associations for greater involvement in the private rented sector.

DfC is currently considering the comments received through the consultation exercise.

Northern Ireland Housing Executive (NIHE)

3.8 NIHE have stated that there is a high social housing need for Belfast which has grown over recent years. The latest figures for 2017 show 10,738 households on the waiting list, of which approximately 7,322 were considered to be in housing stress. They note that Housing Associations are finding it increasingly difficult to acquire land for social housing development and advocates that additional land should be made available to Housing Associations to develop much needed social housing. NIHE would like to see sites in Belfast City Centre being made available for affordable housing. Affordable housing

	<p>includes social rented homes and well as co-ownership housing and NIHE's Shared Future Housing Programme.</p>
3.9	<p>On 2nd August 2017, NIHE will be presenting its Housing Investment Plan for Belfast (Appendix 1) to the People and Communities Committee. All elected members will be invited to attend. NIHE has responded to the Council on its LDP Preferred Options Paper and is supportive of promoting affordable housing through the LDP.</p>
3.10	<p>Private Housing for Sale and the Private Rented Sector</p> <p>The NIHE Housing Investment Plan (HIP) notes that the local housing market is slowly recovering from the economic crash of 10 years ago. House prices have increased slowly in recent years but private sector building activity remains low and mortgage lending remains inhibited despite historically low interest rates and prices in Belfast actually fell in the latter part of 2016. There is considerable variation across different property types throughout Belfast. Semi-detached houses and apartments have reduced in price over the past year while detached houses and bungalows have increased. First time buyers are still experiencing difficulty in obtaining mortgage finance; this effectively puts a brake on market activity.</p>
3.11	<p>Recent developments such as "The Gallery", an apartment block at Dublin Road, suggest there is some interest developing in housing for private sale. This might be expected to continue as other sites come forward for development. Housing for sale is another form of tenure required as an important element in a successful and vibrant city centre and home ownership is an integral element within new housing areas which can create balanced and sustainable communities</p>
3.12	<p>The HIP identifies the Private Rented Sector (PRS) as continuing to play a significant role in the local housing market. Local estate agents report that there is continuing strong demand for private rental accommodation at the top end of the market and in the Lisburn Road, Ormeau Road and Stranmillis areas. Terrace properties and apartments bought during the 'buy to let' boom of the early 2000s provide most of the stock in the PRS.</p> <p>Local estate agents have indicated that key drivers affecting the PRS in Belfast include:</p> <ul style="list-style-type: none"> • high demand for private rental; • no net additional supply; • high demand and low turnover in the social housing sector;

- job and income uncertainty;
- lower numbers of private new build development;
- lending restrictions;
- an oversupply in certain areas.

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

3.14 The March 2017 report to Committee on City Centre Living emphasised the importance of the Council working in partnership with DfC and NIHE to determine the contribution that the city centre can make to growing Belfast's population and increasing housing supply. It is proposed that a Members' workshop considering the issues around city centre living would be valuable in taking this process forward. If supported, a study visit to examine good practice in terms of city centre housing developments will be arranged in advance of the workshop to allow best practice ideas to inform and assist at the workshop.

Connectivity with Neighbouring Communities

3.15 In addition to a number of apartments in private ownership and private rented tenures at locations such as Adelaide Street, Castle Street/King Street and Victoria Square, it is important to recognise that there are also established residential communities in, and immediately adjacent to the city centre. At its meeting in May, Committee recognised the importance of engaging with these communities by agreeing that the City Centre Development Team will develop a new engagement plan covering strategic regeneration across Belfast, with specific focus on the city centre and surrounding communities. The plan will engage a wide range of stakeholders, but with a particular aim to involve and empower residents, ensuring impacts are understood and benefits shared. An internal trawl is underway to identify a dedicated resource to develop and implement the strategy.

Finance and Resource Implications

3.16 Any additional resource implications associated with this report can be met from approved budgets.

3.17	<u>Equality and Good Relations Implications</u> Equality and good relations screening will be conducted as required, in parallel with any future proposed consultation process.
4.0	Appendices
	Appendix 1: People and Communities Committee, 2 nd August 2017: Item 2a NIHE Housing Investment Plan for Belfast