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Housing Supply Strategy

2022 - 2037

December 2021

Contents

Ministerial Foreword

We all want a housing system which provides quality homes in places where people want to live.

Access to a safe and secure home is a basic human right – essential to our health and well-being; and also contributing to tackling the climate crisis. But, as evidenced by the 44,988 households on the Social Housing Waiting list, 31,267 of which are in housing stress, too many of our citizens are being denied this basic right. Moreover, these numbers continue to rise. Behind all data are people, individuals and families who have consistently told us that the current system is not working.

My aim for this Strategy is to create a housing system that can deliver 100,000 plus homes over its 15 year lifetime. I want at least a third of these homes to be social homes. I also have an ambition to deliver a significant number of intermediate homes. The outcome of work to develop new intermediate products and the Housing Executive Strategic Housing Market Assessment will inform how many homes of this tenure are required.

Importantly these homes will be of good quality and deliver for a wider range of needs, including the needs of our ageing population, those with disabilities and our children and young people.

Transforming housing supply will require not only a collective response from the Executive but real collaboration that includes local government, community groups, construction industry and financial bodies. It must also major on engaging with those people who are most in housing need.

This approach is built on the principle that those who are most affected by poor housing are best placed to help design or redesign it.

My Call for Evidence was the first stage in this process of a partnership approach to the transformation of our housing supply. I heard what you said loud and clear and would like to thank you for your considered thoughts and proposals, which have informed and shaped this draft Housing Supply Strategy.

The stark reality as emphasised by responses to my Call for Evidence is that we need to change how we do things and acknowledge that unless we do, many individuals and families will have to live in homes that don't meet their needs and indeed will lose hope that their circumstances will change for the better in the near future. Waiting lists and housing stress continue to rise, and there are issues facing renters; issues that have been amplified throughout the pandemic. People are living longer, which is something to be celebrated, but our current housing stock does not reflect the changing needs of our population. We know that limitations on the right sort of housing options are a major contributor to inequality and deprivation in our society.

It is within this context that proposals for change are set out which will challenge all of us to think differently about how we work together. I do not underestimate the scale of the challenge and success will require the maturity to take difficult decisions. But, as confirmed in the Call for Evidence, there is a growing demand for this change from a large and diverse range of stakeholders.

Many of you emphasised that a key support for the partnership work needed to transform housing supply is the delivery of the commitment to have a standalone Housing Outcome in our next Programme for Government. I am on record as stating that a Housing Outcome is essential and I will continue to press for this commitment to be fulfilled. Moreover, the Vision for the Strategy is reflective of the focus of this Outcome, as envisaged within New Decade, New Approach.

I take great pride in saying that this draft Strategy has been the outcome of an extensive partnering and engagement process but this is only the first step in a 15 year journey. The Strategy provides a framework and a clear direction of travel to build truly sustainable communities, which will be supported by a wide programme of evidenced based actions driven through a collaborative and partnership-based approach and underpinned by a full Equality Impact Assessment and Rural Needs Impact Assessment.

My Executive Colleagues and I have already initiated work to progress some of these supporting policies and interventions, which will help transform our housing supply. This includes revitalisation of the Housing Executive, ring-fencing the Social Housing Development Programme budget for areas of acute housing need, development of new Affordable Housing Products and progressing work to ensure that rents across all sectors are fair including consideration of rent regulation, the wider reform of the Private Rented Sector, the development of the Green Growth and Energy Strategies, the establishment of an Infrastructure Commission and the uplift of building regulations, all of which complement and support this Strategy.

I would like to thank you all for your continued support and I would urge you to avail of this further opportunity to shape the development of the final Strategy.

Finally, I have been clear that for this Strategy to succeed we will need the collective will and support of the Executive. Following this consultation period I will bring the final Strategy to my Executive colleagues for discussion and consideration.

Deirdre Hargey

Deirdre Hargey
Minister for Communities

Acknowledgements

We would like to thank the wide range of individuals who contributed to the development of this draft Strategy. That includes the Housing Supply Strategy Project Board and the Virtual Housing Panel, colleagues from other departments, the Housing Executive and the Strategic Investment Board, representatives from the Housing Associations, Local Government and Voluntary, Community and Social Enterprise sectors, professional bodies and the UK Collaborative Centre for Housing Evidence and, of course, those individuals and organisations[1] who responded to the Call for Evidence and participated in parallel engagement events.

1 Details are provided in the Call for Evidence Summary Report which is published alongside this Strategy at: https://www.communities-ni.gov.uk/consultations/consultation-new-housing-supply-strategy

Executive Summary

Introduction

New Decade New Approach[2] and the draft Programme for Government Outcomes Framework,[3] both recognise the importance of housing in achieving social cohesion, economic development, political stability, supporting citizens to live prosperous and fulfilling lives and a new focus on addressing housing stress and homelessness. The need to tackle these issues, through increasing social and intermediate housing supply and, more specifically, the delivery of this Housing Supply Strategy, are also priority activities in the Executive's Covid-19 Recovery Plan.[4]

Our housing supply challenges are substantial and deep rooted, as illustrated by increasing levels of housing stress and homelessness, the widening gap between housing requirements and new housing supply and the growing affordability and accessibility problems facing both first time buyers and renters. The Housing Supply Strategy is a long-term framework for the transformational change needed to tackle these challenges.

Strategy Development

Pre-development work to progress a Housing Supply Strategy commenced in 2019. The work was interrupted by the onset of the Covid-19 pandemic, beginning again in earnest at the end of 2020 and culminating in a Call for Evidence being launched by the Minister for Communities in May 2021. This was followed by a period of substantial information gathering and assessment, including extensive stakeholder engagement with delivery partners, wider stakeholders and service users.

The Call for Evidence Summary Report can be found at this **link.**

This and other evidence informed the development of the Strategy and sets out a direction of travel from 2022 until 2037. The rest of this report sets out the key components of the Strategy in terms of:

- **Strategic Context** - where we are now in terms of housing supply, where we need to be and how we are going to get there. This covers the Whole System Approach, the Strategy vision and objectives and potential indicators that will be used to measure our progress.
- **Creating Affordable Options** - how we will supply the right number and type of affordable homes in the right places to meet our housing needs and demands. This section addresses key issues, including how we: address our infrastructure constraints, optimise funding opportunities and create the right policy and legislative framework to support housing supply.
- **Prevention and Intervention** - how we can prevent homelessness and reduce housing stress, as well as providing the right housing solutions and support for those most in need. This section focuses on providing more diverse housing types and alternative models of housing to meet different housing needs and recognising the importance of a holistic approach to housing.

2 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/856998/2020-01-08_a_new_decade__a_new_approach.pdf
3 https://www.northernireland.gov.uk/consultations/consultation-programme-government-draft-outcomes-framework-2021
4 Building Forward: Consolidated Covid-19 Recovery Plan | The Executive Office (executiveoffice-ni.gov.uk)

- **Quality and Safety** - how we will improve the quality, efficiency and design of homes, to ensure a high standard for everyone regardless of the type of home. Consideration is given to diverse range of areas, including building regulation, work to improve the private rented sector and protect our social housing.
- **Better Places** - how we will build and maintain thriving and inclusive communities and places with community wealth building at the heart, which prioritises a people-centred approach to rebuilding our local areas into places that support the wellbeing of those who live there. The section considers options around mixed tenure, place-shaping and the role of Local Development Plans in achieving this.
- **Decarbonisation** – sets out how the construction of new housing and the retrofitting of existing homes will play a key role in meeting our carbon reduction targets. Also set out is how we will support people in delivering these ambitions and ensure a just transition for everyone.
- **Delivering the Strategy** – how we will deliver the Strategy over its lifetime, including a focus on doing things differently and the role of action plans in achieving our objectives.

Our Strategic Framework

A summary of our Strategic Housing Supply Framework is outlined in the diagram overleaf (Figure 1). It reflects the partnership approach taken in its development and outlines the link to the Programme for Government outcomes, the vision for the Strategy, the enabling principle that will drive the transformation of housing supply, the long-term timeframe against which we will deliver on the vision and the five interconnected objectives which detail the key areas of work needed to address the challenges to housing supply. We also outline a series of indicators which demonstrate how we will measure progress. Finally, the Framework recognises the core enabling elements required to achieve all of this as outlined in our delivery section.

Figure 1 – Housing Supply Strategy – Strategic Framework

<table>
<tr><th colspan="8">Strategic Framework – Investing and Building to Transform our Housing Supply</th></tr>
<tr><td rowspan="4">Long term outcomes</td><td>Draft Programme for Government (PfG) Outcomes</td><td colspan="2">We live and work sustainably – protecting the environment.</td><td colspan="2">We have a caring society that supports people throughout their lives.</td><td colspan="2">People want to live, work and visit here.</td></tr>
<tr><td>Vision</td><td colspan="6">“Everybody has access to a good quality, affordable and sustainable home that is appropriate for their needs and is located within a thriving and inclusive community.”</td></tr>
<tr><td>Enabling Principle</td><td colspan="6">Adopting a whole system approach, collaborate with central and local government and the third and private sectors to inclusively transform supply.</td></tr>
<tr><td>Timeframes</td><td colspan="6">The Strategy will set out long term policies and interventions over a 15 year period to 2037 but will be divided into enabling action plans over 1-3 year periods.</td></tr>
<tr><td>2037 Objectives</td><td>Objectives</td><td>Objective 1 - Increase housing supply and affordable options across all tenures to meet housing need and demand</td><td>Objective 2 - Prevent homelessness and reduce housing stress and improve and prioritise housing solutions for those who are most in need</td><td>Objective 3 - Improve housing quality</td><td colspan="2">Objective 4 - Ensure the provision of housing options that contribute to the building and maintenance of thriving, inclusive communities and places</td><td>Objective 5 - Reduce whole-life carbon emissions from both new homes and existing homes and support a ‘just transition’ to carbon neutrality</td></tr>
<tr><td>Indicators</td><td>Indicators we will use to monitor progress</td><td>Stress and Supply

Number of households in housing stress.

Housing Stock figures.</td><td>Homelessness

Number of households who are homeless (presentations and acceptances)</td><td>Affordability

Proportion of households spending 30% or more of their household income on housing costs</td><td>Satisfaction

Proportion of households who report being either “very satisfied” or “fairly satisfied” with their house or flat</td><td>Quality and Energy Efficiency

Standard Assessment Procedure (SAP) ratings

Percentage of homes that meet the Fitness Standard</td><td>Community & Place

Indicator(s) in development</td></tr>
<tr><td>Delivery</td><td>Principles</td><td colspan="6">Provide leadership across central government, local government and third sector in relation to housing supply

Underpinned by the principles of equality, fairness and good relations and engaging with those most affected by poor housing

Review and implement necessary legislative and regulatory changes to support housing supply and deliver the Strategy

Provide governance and oversight arrangements to support the delivery of the Strategy

Monitor evidence to support policy development

Maximise the availability of public finance to deliver housing</td></tr>
</table>

Programme for Government

The strategic framework evidences that housing is central to the achievement of the Executive's social, economic and environmental objectives and therefore the need for a standalone PfG Housing Outcome. In this context, the Strategy adopts a vision that is reflective of the focus of a standalone Housing Outcome, as envisioned within New Decade, New Approach.

The framework also demonstrates how the Housing Supply Strategy will contribute to three of the draft Programme for Government outcomes, namely:

- We live and work sustainably – protecting the environment;
- We have a caring society that supports people throughout their lives; and
- People want to live, work and visit here.

Though not specifically referenced in the framework, it is worth highlighting that the Strategy and housing policy more generally also have the potential to make a substantial contribution to delivering on other draft outcomes, including that:

- Our Children and Young People have the best start in life;
- Our economy is globally competitive, regional balanced and carbon neutral; and
- We all enjoy long, healthy, active lives.

In addition, the Strategy will make a significant contribution to the delivery of other cross cutting Executive strategies including the Green Growth Strategy, the Energy Strategy, 10X Economy, the Anti-Poverty Strategy, the Children and Young People's Strategy 2020-2030 and the Mental Health Strategy 2021-2031.

Our Commitment to Delivery

We have developed this Strategy in the context of persistently increasing numbers of people living in housing stress and the growing waiting list. It has been progressed with a partnership approach and we have engaged through a range of mechanisms with a wide variety of stakeholders across the public, private and third sectors. This approach is built on the principle that those who are most affected by poor housing are best placed to be advocates for better housing and help us design and redesign our housing.

While this Strategy sets out the direction of travel to transform supply, we will also bring forward more detailed policy proposals which will be subject to consultation and engagement in their own right. Work to develop the first of these proposals will commence immediately following the approval and publication of the final Strategy. It is anticipated that this will be post March 2022. The Strategy will be subject to ongoing review and we will report on progress on an annual basis.

We will provide the necessary leadership and coordination across all levels of government. Key to our success will be the establishment of a "joined up" response unlocking the combined skills and resources of central government, local government, the housing sector, wider public sector and the third sector to transform supply.

Investing in our Supply

We know that achieving the ambitions in this Strategy will need significant investment. Whether that is investment in our Social Housing Stock, improving quality in our Private Rented Sector or constructing new homes for private sale, we will need to be creative and learn to think and act differently.

Some of this investment will of course need to come from the state, however public funding on its own will not be enough. The Call for Evidence highlighted issues around sources and constraints in accessing finance and the potential impact of Covid-19 on lender risk. Some potential financial solutions were also identified, most notably, capital markets financing (bonds) for affordable housing and increase in demand for Environmental Social Governance (ESG) investments. Alongside significant annual investment in the Social Housing Development Programme the Department will continue to explore new approaches to financing the housing market through, for example, routes providing incentives to Registered Housing Associations and changes in Financial Transactions Capital (FTC) funding.

If we are to achieve our objectives it is likely that a wider range of sources for financing will be needed such as charitable trusts and foundations, Credit Union Loans, Capital markets: from the sale of long-term bonds and developer contributions. The benefits of housing co-operatives, community-led housing and self-build initiatives will also need to be explored further and the move towards an energy system based on low carbon networks, technologies, buildings, vehicles, industry and infrastructure will also require major investment and skilled personnel.

In the face of constrained public finances and international economic uncertainty the investment challenge is substantial. Difficult decisions will need to be made. However through active collaboration between public, private and charitable partners, maximising current policy levers and developing new ones we can find solutions and create opportunities.

Strategic Context

Where we need to be

Our vision for the Strategy encapsulates the future picture of housing supply, one that delivers on our housing needs and demands and contributes to better outcomes for all our citizens but, most notably, those in most housing need.

> **"Everybody has access to a good quality, affordable and sustainable home that is appropriate for their needs and is located within a thriving and inclusive community."**

This vision recognises that good housing is about more than bricks and mortar: they are homes, not just houses. It encompasses issues such as affordability, accessibility, sustainability, quality and security of tenure – all of which can apply differently to people and at different times in their lives. Crucially, this vision seeks to put people at the centre of housing supply and sustainable places, with a focus on delivering on objective need, underpinned by principles of fairness, equality and good relations.

The aim for this Strategy is to create a housing system that can deliver upwards of 100,000 homes over its 15 year lifetime. At least a third of these homes will be social homes. The Minister also has an ambition to deliver a significant number of intermediate homes. The outcome of work to develop new intermediate products and the Housing Executive Strategic Housing Market Assessment will inform how many homes of this tenure are required

We know we need to improve our understanding of what this means in terms of the design and specification of our homes and how many homes of different types we require. We have committed to achieving this in the Strategy. We also know that we may have to update our thinking on this and other issues across the lifespan of the Strategy. This is why the Strategy will be a living document.

The strategic framework is aimed at unlocking, with immediate effect, the conditions required to transform supply for current and future generations. This will be achieved through a series of detailed delivery plans, starting in 2022/23, which will build further upon the actions already outlined in the Strategy.

Where we are now

Housing here in the past twenty years has been characterised by three key underlying trends:

- a steady increase in the need and demand for housing in response to population change and the growth in the number of households;
- affordability issues linked to a significant increase in the number and proportion of households individuals, families, workers and students renting privately and an associated relative decline in home ownership; and
- a widening gap between the overall requirement for new housing (private and social) and the annual rate of construction

There are a number of wider trends which have and will continue to impact on housing and other policy. These key trends are summarised at Annex A.

Increasing Need and Demand NI's housing stock has continued to grow over the past 20 years (current stock Is 814,210 homes). There was steady growth in the number of dwellings between 2012 and 2021 – an annual average rate of growth of almost 6,200. However, this is much lower than the rates of growth experienced in the years leading up to the Global Financial Crisis (GFC). Between 2001 and 2006 the housing stock increased at an annual average rate of 11,500.[5]

Household projections

The most recent mid-year population estimates showed that there were approximately 1.90 million people living in NI,[6] a figure that had increased at an average annual rate of 0.5% pa over the previous five years. The most recent (2016) household projections estimated that in 2021 there would be a total of 744,754 households compared to 725,127 in 2016 – an annual average rate of growth of 0.54% over the previous five year period.[7]

A key driver for household formation is that our population continues to age (estimates are that over 65s now make up almost 17% of the total population and from mid-2028 will outnumber those aged under 16 years)[8] and the tendency for the older population to live in either one or two adult households without children. By 2041, these two household types are projected to account for three fifths (60.3 per cent) of all households.[9]

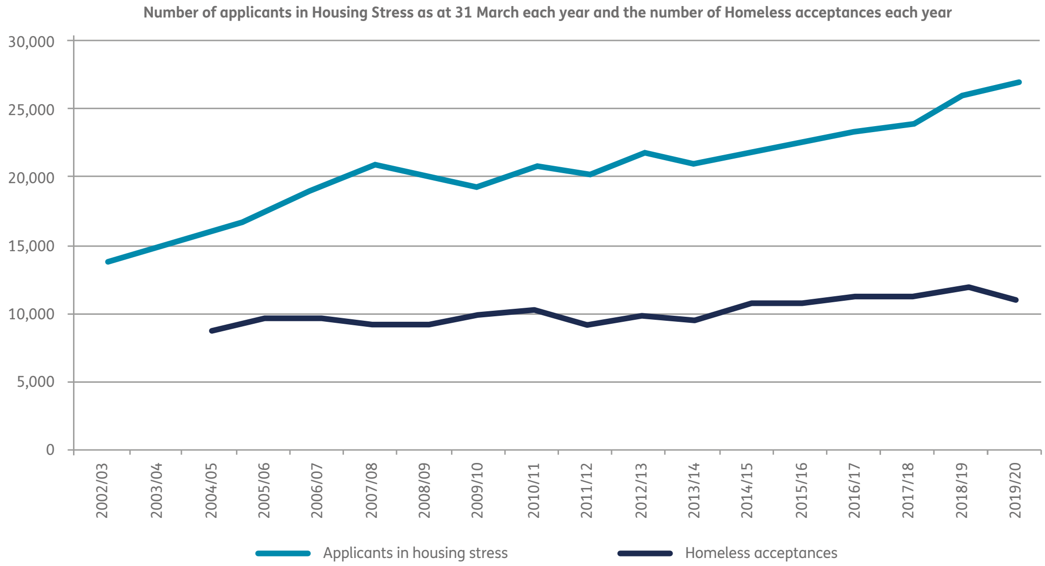
This points to a key issue in relation to housing supply - how we meet the needs and aspirations of an ageing population in the context of a rising dependency ratio (the number of people of working age compared to those who have retired) which has important economic, and therefore funding, ramifications.

Increasing Housing Need

The Common Waiting List for social housing also provides a number of key indicators of increasing housing need. Figure 2 provides a graphic illustration of the substantial increase in the number of households in urgent need ('housing stress')[10] since the early 2000s. In March 2003 there were approximately 13,000 in housing stress. This rose to almost 21,000 by March 2011 and reached a new peak of 27,745 in March 2020. Indications are that housing stress has continued to rise significantly during the Covid-19 pandemic.

5 Source: Annual Housing Statistics, LPS
6 https://www.nisra.gov.uk/publications/2020-mid-year-population-estimates-northern-ireland
7 https://www.nisra.gov.uk/publications/northern-ireland-household-projections-2016-based
8 https://www.nisra.gov.uk/publications/2020-mid-year-population-estimates-northern-ireland
9 https://www.nisra.gov.uk/publications/northern-ireland-household-projections-2016-based
10 Housing stress is defined as those who are awarded 30 points or more within the Housing Selection Scheme. Points are awarded under four categories (1) intimidation (2) insecurity of tenure (3) housing conditions (4) and health and social wellbeing issues.

Figure 2: Increasing Housing Stress and Numbers Accepted as Homeless, 2002/03-2019/20



Source: Department for Communities (DfC): Housing Statistics

Figure 2 also illustrates that the number of households accepted as homeless in NI has also risen significantly over the past 15 years, though on the basis of a more subdued trajectory. In 2004/05 approximately 8,500 households were defined as homeless, a figure that rose to almost 10,500 in 2010/11 and reached a peak of 12,512 in 2018/19 before falling back to 11,323 in 2019/20. During 2020/21 there was a further significant drop to 9889 (13%) in the overall number of homeless households due to the pandemic but this has created pent up demand.[11]

Affordability

The most striking trend over the last 20 years, has been the rapid rise of the private rented sector.[12] A major part of the explanation for this lies in the increasing difficulties that first time buyers faced in relation to accessing owner occupancy. Following the sharp fall in house prices, the nature of the affordability issue changed. A new version of this index developed in 2012, gave more weight to the challenges faced by first-time buyers accessing mortgage finance, and, in particular, attempting to save for a deposit. The most recent iteration of this Affordability Index based on a combination of repayment and access affordability measures, showed that between 2017 and 2018 there was a deterioration in affordability in terms of house price to income ratios and the ability to save for a deposit[13]. The effects of the Covid-19 pandemic on the economy and on the labour market in combination with rising house prices[14] has exacerbated the affordability challenge for first-time buyers. The growing affordability problem is compounded by ongoing increases in rental prices in the private rented sector. The Ulster University/ Housing Executive private rental index recorded a

11 Most of this reduction can be accounted for by a significant reduction in acceptances for two reasons: 'Accommodation not reasonable', a category that largely addresses the housing needs of older people and/or those in poor health, and 'Loss of [private] rented accommodation'. In the case of the former, the need for older people and particularly those with poor health to 'shield' and, in the case of the latter, the additional security of tenure for private tenants introduced in response to the pandemic.

12 Successive House Condition Surveys carried out by the Housing Executive demonstrated the large proportional increase in private renting over a 10-year period: from 12.1% of households in 2006 to 17.5% in 2011 and 18.3% in 2016. These statistics would indicate that most of the rapid growth period was between 2006 and 2011, and the most recent figure available (from the 2017-18 Family Resources Survey) would confirm that the proportion of households has remained fairly constant since 2016 at 18%.

13 https://www.nihe.gov.uk/Documents/Research/House-Prices-And-Affordability/Affordability-in-the-private-housing-market.aspx?./

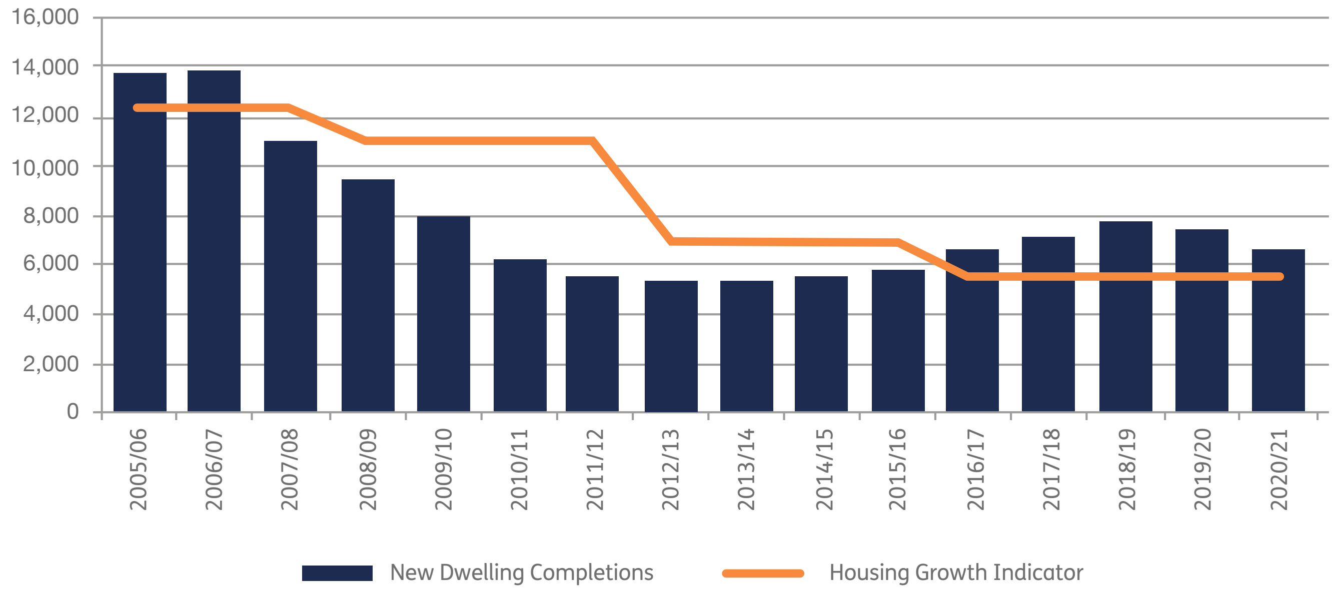
14 NISRA's hedonic house price index shows an increase of 9.0% between Q2 2020 and Q2 2021 UU/NIHE NI Quarterly House Price Index likewise shows an increase of 9.2% over the same period, while PropertyPal Housing Market Trends: Q2 2021 ·shows an annual increase of 7.3% in asking prices

4.2% increase in average rents between H2, 2020 and H2, 2021 . More recent analysis produced by Propertypal shows that this upward path continued into Q2, 2021, with heightened demand and fewer available properties resulting in an annual rate of increase of 5.8%.[16] Affordability issues will then have to be a key factor in considering our supply challenges and solutions.

The widening gap in housing supply

As outlined in the Call for Evidence and in this Strategy, the causes of the widening gap between overall housing requirements and new supply are multi-faceted. Figure 3 illustrates the development of this undersupply over the last 15 years. It shows a substantial gap emerging between new dwelling completions and estimates of future overall requirements in terms of Housing Growth Indicators (HGIs) in the years following the GFC.

Figure 3: The Gap between New Dwelling Completions and HGI's 2005/06-2020/21



Source: DfC Housing Statistics and Regional Development Strategy Housing Growth Indicators

Revised HGI's based on NISRA's 2016 household projections envisaged an annual average of 5,700 from 2016/17 onwards[17], and since 2016 housing completions have exceeded this revised figure as outlined in Figure 3. In 2017, the Department for Communities' Housing Symposium, in recognition of the growing gap between supply and overall requirements had already recommended an overall delivery target of 8,000 new dwellings per annum – but even this was based on increasingly outdated estimates of the number of households. As such, there is general agreement that a significant increase in new housing completions is required to underpin the strategic priorities of the NI Executive and that a new integrated, transparent model for estimating future requirements based on scenario planning and integrating demographic, economic and stock information at a strategic level, would

15 https://www.nihe.gov.uk/Documents/Research/Private-Rental-Market-CURRENT/private-rental-market-NI-July-December-2020.aspx?ext=.
16 https://www.businessfirstonline.co.uk/our-guest-bloggers/propertypal-housing-market-trends-q2-2021/
17 https://www.infrastructure-ni.gov.uk/publications/2016-based-housing-growth-indicators-hgis

be of considerable benefit. The Housing Executive has a research project (the Strategic Housing Market Analysis – SHMA) in its current programme to address this issue, with this work anticipated to complete in mid-2022. We have also committed to work to better understand the types of housing required to meet the range of housing needs.

Although the housing market here has been characterised primarily by the three trends outlined above, other long-term trends have also developed that are now coming to the forefront of our housing supply considerations.

Quality and Energy Efficiency of Homes

As emphasised by the vision and objectives, improving housing supply must also factor in issues of quality and contribute to our net zero objectives. The Housing Fitness Standard[18] is the statutory basis for inadequate or unfit housing, which applies across all tenures of housing and sets the legal threshold, below which no one should be expected to live. House Condition Surveys (HCS) have been used to assess dwelling conditions against the statutory fitness standard since 1974[19]. These surveys provide a measurement of the level of unfitness in NI and consequently have demonstrated the substantial progress made in improving housing conditions. However, the relative importance of the Fitness Standard has declined due to the very low proportion of the stock (1.1% of occupied stock) failing on this quality measure. The Call for Evidence also highlighted that for many, its value falls short as a means of dealing with modern housing challenges.

Energy Efficiency

Energy efficiency is a key factor for thermal comfort which impacts on fuel poverty and is a primary issue when we consider housing quality and wider environmental impacts.[20] The 2016 House Conditions Survey found that NI housing stock had an average Standard Assessment Procedure (SAP) rating of 65.83 out of 100. It also noted that approximately half of all dwellings had an Energy Efficiency Rating (EER) within bands A-C.[21] That said, no dwellings were found in Band A and only 4% in Band B, while more than one-third (36%) of dwellings were found in Band D and 11% in Band E. The HCS also highlights that older houses (and as might be expected due to this, older households) and dwellings in rural areas were less likely to fall within the three highest bands.

Both the construction of new housing and the retrofitting of existing homes will play a key role in helping to achieve the target of reducing all carbon emissions by 56% by 2030 compared to 1990 levels and 100% by 2050.

There is also another consideration for which trends are more difficult to measure or establish, but are an important aspect of supply.

18 The current Fitness Standard was enshrined in Schedule 5 of the Housing (NI) Order 1992. The Fitness Standard remains the only statutory broad measure of housing quality in NI.

19 The NI Housing Executive was established by the Housing Executive Act, 1971. One of the legislative requirements was that Housing Executive "regularly examine housing conditions and requirements". It undertook the first NI House Condition Survey in 1974, a comprehensive survey that estimated that almost 90,000 homes (20%) were statutorily unfit for human habitation (approximately three times the proportion for England at that time). Indeed, approximately 40 per cent of NI's population lived in dwellings that were unfit, in disrepair or lacked basic amenities.

20 The Standard Assessment Procedure (SAP) is the Government's standard method of rating the energy efficiency of a dwelling. It has a range of factors that contribute to energy efficiency, such as, materials used for construction, the efficiency and control of heating systems and fuel used for space and water heating. The rating is between 1-100. The higher the number, the lower the running costs.

21 The 1-100 SAP energy efficiency rating is also represented in an A-G banding system which is the basis for the production of an Energy Performance Certificate (EPC). 'Band A' rating represents low energy costs and 'Band G' rating represents high energy costs.

Quality of Place

It was clear from the Call for Evidence responses that quality should also refer to more than just the build of the home itself. It should also take into account the quality of design and the environs of the home which may then have a potential subsequent impact on wellbeing and health. Whilst the indicators for quality and efficiency of the building are more straightforward to define, quality of place has a potentially much broader scope that may consider factors such as access to open space, feeling of safety, visual amenity or even the attractiveness of an area to existing and potential future residents. With this in mind, work is underway to identify suitable indicators that can measure this.

Housing Equality

Not all groups experience the same housing challenges and a key objective of the Strategy is to address inequalities by improving and prioritising housing solutions for those who are most in need. For example, the Equality Impact Assessment (EQIA) of the Strategy suggests different experiences by gender in terms of homelessness and the impact of housing costs on those on marginal incomes. An example with age is the fact that older people (75+) are more likely to live in housing that has higher than average basic and urgent repair costs to bring their dwelling into good repair. Under religious belief there are a higher proportion of lead applicants on the waiting list for social housing that are in housing stress from the Catholic community, relative to the Protestant community. There remain inequalities in terms of the access to suitable housing for individuals with a learning disability to live independently and many individuals with a disability still live in homes that are unsuited to their disability-related needs.

However, as covered in more detail in the draft EQIA, there can be intersections between different equality categories that have a bearing on housing outcomes. For instance, the complexity of the relationship between gender and housing. The updated data shows that more women than men experience poverty both before and after their housing costs are accounted for. Within this there are likely to be intersectional issues at play, with for example dependents/ caring responsibilities and marital status influencing these trends. This underlines the importance of not looking at gender in isolation. Further data disaggregation and related research is required to gain a better understanding of the causality of many of the key inequalities that appear to exist (when looking at housing experiences through the lens of a single equality category).

Similarly, there are structural complexities in terms of housing provision for those from Black, Asian and Minority Ethnic (BAME) backgrounds as a result of the impact of British immigration policies. Labour market practices and the social security system on shortfalls in income make it particularly hard for BAME groups to afford housing increasing risk of further housing issues, destitution and homelessness.[22]

Some of the key inequalities identified are already being actioned through existing initiatives that will be further developed through this Strategy, including the Housing Executive's Irish Traveller Accommodation Strategy 2020-25 and *'Ending Homelessness Together 2022-2027'* Strategy and Reset Plan. Moreover, the EQIA is only the first stage in an evolving focus on the inequalities that may be experienced by section 75 groups in respect of housing outcomes and evidence from ongoing monitoring will help shape actions to mitigate negative impacts throughout the Strategy.

22 https://www.jrf.org.uk/file/58774/download?token=Obw_6Nkv&filetype=briefing

How we will get to where we need to be

Whole System Approach

As the 'where are we now' summary illustrates, not one single overarching challenge (or problem) is affecting housing supply. When we look at the drivers of need and demand and the levers adopted to address need and demand, it is apparent that housing supply is a complex and multifaceted issue. Moreover, many of these facets are interrelated, as summarised in Figure 4. For this reason, a 'whole system' approach, which has not been attempted in the past, can help unlock new solutions.

Figure 4 Housing Supply as 'Whole System' approach

Levers adopted to meet demand include finance, provision of land, the planning system, innovation and skills. The Call for Evidence highlighted the potential for more options and flexibility around design standards/regulations to open opportunities to improve the quality of supply and accessibility for a range of individuals. The opportunity to adapt, recycle and re-use existing buildings to increase supply and create thriving communities was also flagged by numerous respondents. The benefits of innovative delivery methods, construction techniques and the skills required to utilise these have equally been identified as missed opportunities. And, most significantly, the opportunities associated with working collaboratively across the systems of central and local government as well as the third sector and private sector to transform supply, was highlighted repeatedly.

Utilising a 'whole system' lens also illustrates the central role of people, places and communities. Creating sustainable, high quality and affordable places where people wish to live, work and play can help tackle inequalities and enable communities to thrive. Whilst the new Strategy will naturally focus on supply, we must not lose sight of the importance of understanding the needs of people, places and communities when developing the Supply Strategy. We will make sure that communities have a greater say in the supply process, through community planning and stronger engagement in planning and regeneration processes.

The Enabling Principle

Our Enabling Principle outlines how we wish to work with others, recognising that the range of housing supply "whole system challenges" require "whole system solutions", so working collaboratively across central and local government and with the private and voluntary and community sectors will be crucial in making a difference to the challenges facing the housing supply system. The lived experiences of those "in the system" need to help us shape solutions.

> **"Adopting a whole system approach, collaborate across central and local government and the third and private sectors to inclusively transform supply."**

Our Objectives

The Housing Supply Strategy is centred on delivering **five key objectives:**

1) **Creating Affordable Options:** Increase housing supply and affordable options across all tenures to meet housing need and demand;
2) **Prevention and Intervention:** Prevent homelessness, reduce housing stress and improve and prioritise housing solutions for those most in need;
3) **Quality:** Improve housing quality;
4) **Better Places:** Ensure the provision of housing options that contribute to the building and maintenance of thriving, inclusive communities and places; and
5) **Decarbonisation:** Reduce whole-life carbon emissions from both new homes and existing homes and support a 'just transition' to carbon neutrality.

The Housing Supply Strategy is a 15-year policy framework in recognition that many of the transformations required are complex in nature, with some requiring a longer timeline to deliver on, than others. These policies must also be resilient to longer term issues such as demographic, economic and environmental change and technological advances. The Strategy must also be flexible enough to accommodate emerging issues. This will be achieved by keeping the Strategy under review and throughout the action planning process.

More about the framework and the proposed work under each of our specific objectives is detailed later in the document, including a more detailed outline of our long term policies, which set out the direction of travel and provide the context for development of action plans. Also detailed, under the banner of initial enabling activities, are actions we are already progressing or are committed to progressing, which we consider will make an important contribution to delivering our objectives by helping to create new sustainable housing options and better outcomes for our citizens.

As previously highlighted, the five key objectives are interconnected. As such, the policies and actions underneath each will actually have a much broader impact in achieving the Strategy vision. We have mapped these linkages at **Annex B.**

Data and Evidence

We are committed to developing an on-going housing evidence programme to support and inform all aspects of the Strategy. We will work with others to improve the data quality, availability and coverage to improve our understanding and measurement of the impact of our actions in helping to achieve our vision.

We will monitor and report on this Strategy on an annual basis. The first progress report will cover the enabling period 2021/22 – 2022/23 and will be published in 2023/24.

Indicators

It is proposed that the measurement of the impact of the Housing Supply Strategy will be monitored and reported upon with reference to a basket of indicators. Initial indicators include:

- Housing Stock figures (Source: Land and Property Services, DoF). We will be examining if and how we can get a more nuanced picture of the supply picture against housing need when work on the new Housing Executive Strategic Housing Market Analysis is complete (this is likely to be mid 2022);
- Number of households in housing stress (Source: Housing Executive);
- Number of households who are homeless both presentations and acceptances (Source: Housing Executive);
- Proportion of households spending 30% or more of their household income on housing costs (Source: Family Resources Survey);
- Proportion of households who report being either "very satisfied" or "fairly satisfied" with their house or flat (source: Continuous Household Survey); [23]
- Percentage of homes that meet the Fitness Standard (Source: House Conditions Survey). This will be more relevant post completion of work to review the standard; and
- Standard Assessment Procedure (SAP) ratings - this is the measure for assessing energy ratings for homes (as collected through the House Conditions Survey). We are also working to assess if and how we might supplement this indicator (given that the HCS is only conducted every five years) with Energy Performance Certificate (EPC) data.[24]

We will also factor in indicators included in other relevant Strategies, for instance, those outlined in the Energy Strategy options consultation in relation to household energy expenditure relative to all expenditure,[25] households in fuel poverty[26] and greenhouse gas emissions from energy related sectors (specifically residential properties)[27]. We will also continue to develop our evaluation framework as we progress our housing evidence programme. This work will include expanding the range and nature of the indicators collated and analysed as we work to address the series of complex issues, which impede supply.

In accordance with the Outcomes Based Accountability, individual interventions or programmes will be monitored using report cards which detail the quantity of work done; the quality of work done; and the impact of this work.

23 A recent OECD study (OECD (2021), "Building for a better tomorrow: Policies to make housing more affordable", Employment, Labour and Social Affairs Policy Briefs, OECD, Paris) , highlights the advantages and limitations of a range of metrics to measure affordability (and quality) of housing and suggests that given the limitations of each, it is preferable to use a number of metrics including the perception of individuals. This is a new question added to the CHS in 21/22 so data will not be available until September 2022. Respondents to the Call for Evidence also highlighted the somewhat arbitrary nature of ratios with the explanation that they do not provide an adequate understanding of individual affordability.

24 SAP is assessment of the energy performance rating of a home. The higher the SAP rating, the lower the energy costs and subsequent carbon emissions. SAP calculations are used to form the Energy Performance Certificate (EPC). The HSC is a representative sample so therefore can be used to make inferences about all homes in NI. For EPC will only be new homes or homes that have been sold since EPC was introduced (30 December 2008), with the added issue of certificates only being valid for 10 years

25 Source: Living Costs and Food Survey

26 Produced using modelling work from the House Conditions Survey.

27 Source: National Atmospheric Emissions Inventory (Devolved Administrations - Greenhouse Gas Reports - NAEI, UK (beis.gov.uk)

Objective 1: Creating Affordable Options

Creating Affordable Options: Increase housing supply and affordable options across all tenures to meet housing need and demand.

Introduction

We need to create new, better and more affordable housing options for citizens.

To ensure that we get the right number and types of houses in the right places we need to improve our understanding and estimation of future housing requirements, including understanding different needs. Furthermore, as highlighted in the Call for Evidence, we need to have a better understanding of our current stock, including tenure, location and condition to establish a more robust picture of the supply gaps. Work is progressing to identify and address our housing data gaps, including the development of a Strategic Housing Market Analysis model but we do not need to wait until this work completes before we take action.

This is because we know from the evidence that we have available to us now, that:

- A significant increase in housing completions is necessary (given the widening gap between overall housing requirements and new supply);
- There are increasing affordability challenges for renters and prospective home purchasers; and
- Housing stress continues to increase (despite significant investment in social housing)

Achieving this objective must involve an increase in supply across all tenures and establishing 'new intermediate products' to provide alternative options outside of what is currently available.

Evidence (including that provided through the Call for Evidence process) has confirmed that the key levers we need to unlock to substantially increase supply across tenures are:

- Exploiting existing financial resources (including Financial Transactions Capital) to greater effect and investigate the potential for new sources;
- Addressing infrastructure constraints, most notably, waste water, transport, energy and the digital network;
- Increasing land availability in areas of need and demand, including through improving our knowledge of public land (both central and local government) that may be suitable for housing; and
- Creating the right policy and legislative environment, including better utilising the powers already in place to support new supply and reuse/adapt existing buildings, for example land acquisition, rating and planning powers.

Long Term Policies and Interventions

The long term policies and interventions we are proposing to meet this objective and address the needs described include:

- **Work collaboratively and innovatively with the private, public and third sectors to address issues around land availability and considering issues such as: local services, infrastructure constraints, sustainable drainage, digital connectivity and transport.**
- **Enhance our open data platforms to improve access to housing, land, property and planning data, creating better transparency and unlocking opportunities to transform supply.**

- **Ensure our housing policy and legislative framework enables us to deliver the housing supply to meet our current and future needs and demand patterns.**
- **Support upskilling, reskilling, delivery of apprenticeships and training for both existing workers and new workers in order to underpin a modern integrated housing system. This will include ensuring that public procurement spend contributes to the Executive's objectives, including creating jobs in deprived areas and ensuring security of our wider supply chain.**
- **Work innovatively to optimise access to alternative forms of public and private finance such as Financial Transactions Capital (FTC) and institutional funding to develop and deliver new and affordable housing products.**

Existing and New Enabling Activities

We will:

- Build more social houses, especially where they are most needed. This includes ring-fencing Housing Association Grant funding and seeking the prioritisation of water infrastructure for new housing in areas of most acute housing need.
- Progress Housing Executive Revitalisation. Revitalisation will focus on options which will enable a revitalised Strategic Housing Authority and sustainable social landlord, that can maintain and provide good quality and affordable homes for current tenants and future generations;
- Commission work aimed at critically evaluating current measures of affordability with reference to best practice in other jurisdictions and, if appropriate, recommending a measure or measures best suited to the NI context;
- Ensure that rents are fair for tenants as well as landlords across all tenures
- Work collaboratively to extend the scope of the Government Land and Property Register (GLPR) Programme to digitally map all land and property holdings for both Central Government and Local Government in NI. This will support efforts to identify land for social, affordable, and private new build, along with existing buildings suited to adaptive reuse, which can contribute towards supply. This development will underpin a Geographic Information System (GIS) enabled dataset which will in due course support a whole system based approach.
- Support the establishment of an Infrastructure Commission for an expert led, strategic and public engagement approach to long term infrastructure planning; and the establishment of a cross-departmental working group to determine the best organisational classification for the Commission, its cost, including remuneration, the appointment process of its members and its reporting arrangements;
- Undertake an assessment of Registered Housing Associations' powers, alongside the review of the legislative framework to ensure that Associations can fully participate in creating and delivering new housing options and mainstreaming mixed tenure;
- Support the Review of the Implementation of the Planning Act[28] – a number of issues were raised in the Call for Evidence around the planning system mainly to do with timescales for application decisions and LDP preparation.

28 The Planning Act (NI) 2011 provided the legislative basis for the reform of the NI planning system. The reforms were comprehensive, impacting on every aspect of planning, including how development plans are drawn up, how development proposals and applications are managed and the way in which these functions are delivered. DfI issued a Call for Evidence in relation to helping inform a review of the implementation of the Planning Act in February 2021. DfI is currently assessing the wide ranging responses to the Call for Evidence and is giving careful consideration to the proposals which have emerged. The review will also reflect on any potential legislative amendments which may arise from parallel work to improve the planning system through the Planning Forum and the Planning Engagement Partnership.

It is intended that a DfI report on this review will consider actions which can be taken forward to improve the planning system.

- Support the work of the Planning Forum in the implementation of recommendations made in the independent report on the role of statutory consultees in the planning process, with a focus on improving processes and timeframes for determining major and economically significant planning applications. The role of statutory consultees was an issue that was raised throughout the Call for Evidence.
- Examine options for ensuring the ratings system responds over time to a range of emerging strategic opportunities and challenges, including for example decarbonisation, making better use of underused assets for domestic use and preventing dereliction.
- In line with the new procurement policy introduced by the Department of Finance, implement the mandatory scoring of social value within public procurement contracts by June 2022, in all applicable publically funded housing development schemes to ensure opportunities to maximise the use of social clauses.
- Consider how existing powers can be used better to achieve housing and regeneration in areas of greatest housing need and examine how statute and legislation might better support the release of land and buildings for the delivery of housing.
- Continue to deliver current intermediate shared ownership housing to help those on lower incomes meet their aspirations to home ownership. This includes the delivery of a new pilot shared ownership scheme aimed at assisting those who are over 55 to move to a home more suitable for their needs.
- Bring new affordable housing products to the market, such as, Intermediate Rent by 2023. Intermediate Rent seeks to provide high quality, well managed, affordable homes for rent for tenants who cannot or do not wish to access home ownership and would be unlikely to attain sufficient points to have a realistic chance of accessing social housing in an area of choice.
- Commence a research project to determine the housing data we need that will establish a 'whole system' view of housing supply, including a more granular picture of the different types of homes we need to meet the different needs of our citizens. This will build on the Housing Executive's Strategic Housing Market Analysis.

Objective 2: Prevention and Intervention

Prevention and Intervention: Prevent homelessness, reduce housing stress and improve and prioritise housing solutions for those most in need.

Introduction

This objective recognises that housing issues are a major contributor to inequality and insecurity in our society. Indeed, the impact on the accessibility, adequacy and sustainability of local housing, and in turn inequalities in housing demand and supply in the last couple of years caused by the Covid-19 pandemic, has a shone a light on these inequalities. As such, equality and human rights considerations are fundamental to achieving the vision for the Strategy and require a "whole system" approach.

Prevention of homelessness and reducing housing stress is the focus for this work. Work to increase housing supply and affordable options will make a substantial contribution to achieving this objective but success is also about ensuring improved affordable housing solutions for a wider diversity of needs including those of older people, those with disabilities (which in itself covers a wide spectrum of needs including physical and learning differences) and for other vulnerable people, including children in care, those individuals leaving the criminal justice system and those who are victims of domestic violence. Consequently, this objective also recognises the inextricable link between housing and the social care and support system and the need to have a continuum of support from temporary to permanent accommodation.

This objective also reflects what we heard in the Call for Evidence, including the need for us to:

- Focus on homelessness prevention;
- Learn lessons from elsewhere on approaches to increase stability and security for people in poverty, such as the Housing First model; [29]
- Build on existing positive developments including interdepartmental working through the Covid -19 pandemic;
- Progress an holistic approach to housing provision, recognising the importance of wraparound and support services in the development and provision of housing solutions for those who have different needs;
- Protect our current social housing stock; and
- Future proof our homes so they are more easily adaptable to meet changing needs (this links closely with quality and design, which is more explicitly covered under Objective 3).

It also recognises that an effective and fair social housing allocations system is fundamental to easing housing stress and making sure allocations to social housing are being based on objective need. In this context it is noted that many of you who responded to the Call for Evidence referenced the points system, which determines an individual's position on the social housing waiting list, highlighting that the award of some points, such as those for intimidation, can result in some individuals getting priority over those who have been on the waiting list for a long time.[30]

29 Housing First is an internationally recognised model of combatting long-term homelessness for people with complex needs. A Housing First service prioritises permanent housing for people experiencing homelessness from the outset. The intention is that housing should be available even if a person experiencing homelessness refuses treatment for their substance use or mental health issues and then a flexible support package covering mental health, substance use, employment and other issues is provided for the service users in their new home by a multi-disciplinary team. This is done with a view to reconnecting them to their community and ensuring stability in their accommodation.

30 On applying for social housing, an individual's position on the waiting list is determined by the points awarded. Points are awarded under four categories (1) intimidation (2) insecurity of tenure (3) housing conditions (4) and health and social wellbeing issues.

Long Term Policies and Interventions

The long term policies and interventions we are proposing to meet this objective and address the needs described include:

- **Deliver housing solutions for citizens who are most in need, recognising the inequalities identified through the Equality Impact Assessment developed to support this Housing Supply Strategy**
- **Develop and implement new policies that will support the delivery of a more diverse range of housing types/alternative models of housing to meet all housing needs**
- **Improve our response to homelessness with a focus on prevention and learning the lessons from what worked so well during the pandemic as well as innovations from elsewhere**

Existing and New Enabling Activities

Building on the activities outlined under Objective 1, we will:

- Support the Housing Executive in the delivery of its Ending Homelessness Together 2022-2027 strategy. The focus of the Strategy links strongly to the Call for Evidence responses, mostly notably the need to prevent homelessness, support exiting into settled accommodation and extend Housing First provision. The Strategy also recognises that services must be tailored to appropriately take account of differences in those individuals and households presenting as homeless. Equality issues are central to the strategy and will also be central to monitoring its delivery.
- Progress the delivery of the Interdepartmental Homelessness Action Plan to provide a cohesive and co-ordinated response to the provision of non-accommodation services to those who are homeless or are at most risk of homelessness. Responses to the Call for Evidence, including the need for better joined up policy in relation to mental health and drug addiction support and the need to focus on homelessness prevention for groups including those leaving the criminal justice system and people with a disability, will inform the focus of future actions;
- Assist the Housing Executive in the delivery of its Older People's Housing Strategy 2021/22-2026/27. Delivery of this Strategy includes working with partners to incorporate better design principles into social housing (both new and existing) that is reflective of the needs of older people (recognising that older people are not a homogenous group), encouraging council planners to incorporate the requirement that all new build housing should meet lifetime home standards and exploring the use assistive technology has to play in supporting independent living and sustaining and supporting tenancies.
- Support the Housing Executive to deliver the Irish Travellers Accommodation Strategy[31] to provide access to affordable, good quality, culturally appropriate housing accommodation which fosters a sustainable, vibrant Irish Traveller community and promotes inclusion, a sense of belonging and security. This Strategy proposes a number of key actions, including those designed to better understand Traveller specific accommodation needs and improve fitness standards for caravans (which also links closely to Objective 3) and details an implementation plan laying out a work programme over the next five years.
- Support the development and implementation of a 3-year Strategy for the Supporting People Programme, in partnership with delivery agents and users. As emphasised by

31 https://www.nihe.gov.uk/Documents/Irish-Traveller-Strategy/Irish-Travellers-Accommodation-Strategy-2021-2026.aspx

many respondents to the Call for Evidence, the Supporting People Programme plays a fundamental role in helping people attain and maintain their independence. The new Strategy is designed to meet the existing and emerging needs of those who are homeless, older people, younger people and those with a disability.

- Examine options for alternative models of supported housing that addresses anticipated and emerging need. The current model of delivery of Supported Housing has remained unchanged since the mid-1990s. This work will include an examination of 'what works' in other jurisdictions, including evidence or learning from or changes to service provision because of the COVID-19 pandemic.
- Progress work to better understand the housing experiences of Section 75 groups, with reference to multiple identities and intersections between different equality categories. This is a key evidence gap identified in the Housing Supply Strategy EQIA;
- Continue to prioritise and improve housing adaptations to both social and private homes. This will build on the success of a new pilot approach for Housing Executive homes tested in pilot areas. It will also involve us working with the Housing Executive to examine the adaptations process, including the updating of the adaptations toolkit and identifying any policy gaps.
- Ensure an effective and fair social housing allocations system based on objective need through implementing the 18 recommendations of the Review of the Common Selection Scheme[32] and examining further options on the issues of intimidation points and interim accommodation points;
- Bring forward a consultation on the future of the Housing Executive House Sales Scheme; and
- Work with local government and housing delivery partners to ensure that plans and policies support the delivery of a range of housing types and sizes, to meet the needs of a changing demographic and lifestyles.

32 https://www.communities-ni.gov.uk/consultations/fundamental-review-social-housing-allocations

Objective 3: Quality

Quality: Improve housing quality

Introduction

At the most basic level, achieving this objective is about ensuring that nobody has to live in inadequate housing. Our aim is for all homes to be of good quality meaning that everyone can expect the same high standards no matter what kind of home or tenure they live in.

As confirmed in the Call for Evidence:

- Our Housing Fitness Standard now lags behind that in place in other jurisdictions and is, therefore, limited as a tool for addressing our modern housing challenges and complimenting the NI Executive's wider policy agenda;
- There are particular issues with the quality, security and safety of our Private Rented Sector; and
- Many of our social homes are at risk unless we secure the investment necessary to allow these homes to maintained and enhanced.

It is also about supporting the principles of tenure-neutral standards and requiring housing developers and homeowners to ensure their properties meet current and future fitness standards. It must also necessitate action to ensure our buildings are fit for the future and meet our 2050 Net Zero Carbon objectives.

Linked to Objective 2, other issues around quality and design also include considerations around whether our homes are designed to best meet our needs. In this respect, stakeholders emphasised the need for good design, so that accessibility does not compromise the attractiveness of their home or demarcate their home as different from surrounding homes.

Of course, issues of quality and safety also include surrounding areas and are directly linked to creating better places (Objective 4).

Long Term Policies and Interventions

The long term policies and interventions we are proposing to meet this objective and address the needs described include:

- **Update existing policies and develop new policies that will ensure our housing standards support the delivery of higher quality homes across all tenures**
- **Work collaboratively to ensure the design of our homes support those with care needs to live independently if they wish to do so**

Existing and New Enabling Activities

Building on the activities outlined under Objectives 1 and 2, we will:

- Undertake a comprehensive review of fitness standards applicable for all tenures.
- Support the timely uplift of building regulations for new homes and, where appropriate, the implementation of features of the Building Safety Bill (developed in the wake of the Grenfell Tower disaster). In relation to the latter, this will include consideration if and how the role of a New Homes Ombudsman can support the delivery of high quality homes;

- Put the needs of tenants at the heart of ensuring that the PRS is suitable for a wider range of households. Specifically we will deliver new legislation that will improve the safety, security and quality of the Private Rented sector. In doing this we will aim to strengthen enforcement powers to uphold standards in the PRS by :
    - restricting rent increases to once in a 12 month period;
    - extending the notice to quit period a landlord must give a tenant;
    - setting limits on tenancy deposit amounts; and
    - making it a mandatory requirement for private landlords to provide smoke and carbon monoxide detectors and to carry out periodic electrical checks.

  We will then take forward further work to address other cross cutting issues, including regulating letting agents and establishing specific grounds for eviction.

- Work with the Housing Executive to address its investment challenges in order to improve and maintain its existing social homes.
- Regularly review the Housing Association Guide to examine if and how we can enhance the design of our social housing to better meet the diversity of housing needs. This work will be informed by a wide range of evidence, including pilot projects.

Objective 4: Better Places

Better Places: Ensure the provision of housing options that contribute to the building and maintenance of thriving, inclusive communities and places;

Introduction

Doing things differently through working across departments and sectors can create new solutions to stubborn housing issues and will help achieve better outcomes for our communities. In order to achieve this, we need to agree a definition of what we mean by 'sustainable homes and communities'. We will build on the definitions outlined in the DfI Strategic Planning Policy Statement (SPPS)[33] on core planning principles and in the Regional Development Strategy (RDS) 2035 on sustainable communities and cohesive communities,[34] and note that the location of housing providing convenient access to key services by walking, cycling and public transport are key considerations reducing the need for motorised transport to access daily services.

These definitions describe sustainable communities as places where people want to live, work and play, now and in the future. They meet the diverse needs of existing and future residents, are sensitive to their environment and contribute to a high quality of life. They are safe and inclusive, well planned, built and run and offer equality of opportunity and good services to all.

Building and maintaining thriving and inclusive communities and places can support the wellbeing of those who live there. One of the key ingredients in the creation of such places is the provision of a range of affordable housing options across a mix of tenures that meet people's needs across all stages of their lives. Coupled with this, these places should be located close to employment, recreation, shopping, community facilities and public transport services, and built with the necessary enabling infrastructure that takes account of future growth as well as addressing changes in demography, technology or climate change.

Our Strategy recognises the variety of urban, suburban and rural places that exist here and the myriad of challenges faced by different target groups within communities in these places. We acknowledge that a one size fits all approach to housing supply and place shaping will not work. Our approach will be more nuanced and dovetail with local Council led Community Plans and their Local Development Plans. Helping people to help design and access a range of housing options in the places and communities in which they want to live, is a cornerstone of this Strategy. We also recognise that the benefit of providing options that allow communities and places to thrive will have a potential concurrent effect of reducing stress on other parts of the public sector, for example the health and social care systems.

The Strategy recognises the need not just to build new homes and to protect existing supply but also to build and maintain the inclusive and cohesive places in which homes are located. This means taking a more integrated, person and community-focused approach to the creation of sustainable and thriving places, where the voices of local people have a say and they can take responsibility with others in how their areas are developed and maintained.

33 https://www.infrastructure-ni.gov.uk/sites/default/files/publications/infrastructure/SPPS.pdf - Pg 12 para 3.6 and section 4.5 under core planning principles.
34 https://www.infrastructure-ni.gov.uk/sites/default/files/publications/infrastructure/regional-development-strategy-2035.pdf. Pg 40 para 3.9 and 3.11.

Community wealth building is one such community-focussed approach. Community wealth building is a new people-centred approach to local economic development, which redirects wealth back into the local economy, and places control and benefits into the hands of local people. Activity encompasses embedding social value in procurement (as referenced in Objective 1) and Community Asset Transfer.

The provision of a range of housing options is a key element of this Strategy. In this context 'options' can refer to a mixed tenure approach to housing provision, but also to the types of houses being provided within tenures. The advantage of mixed tenure in new or existing housing developments is that it creates a balanced social mix and as a result, communities are likely to be more diverse resulting in a more cohesive community and may be more tolerant of one another. In terms of housing options within tenures, these also have significant potential to help build and sustain diverse communities and places; for example, affordable and accessible housing options for those who are older and/or those who have disabilities or who have other particular housing needs; independent living options; affordable housing in rural settlements to sustain rural communities and to provide young and older people with options to be able to stay close to their families and support networks.

The Strategy also understands the impact of poverty and low-incomes in relation to housing affordability and sustainability and the differential impacts on Section 75 groups. That said, as previously highlighted, further data disaggregation and related research is required to gain a better understanding of the causality of many of the key inequalities that appear to exist when looking at housing experiences. There is a commitment to progress work to help achieve this understanding under Objective 2.

The Strategy also recognises the wider social and economic impacts and consequences of the segregation of housing here and the lack of integration across our communities and the benefits of creating more shared housing areas.

Long Term Policies and Interventions

The long term policies and interventions we are proposing to meet this objective and address the needs described include:

- **Putting place-shaping at the heart of our actions by developing policies that will support delivery of housing led regeneration, encourage mixed tenure and promote shared housing**
- **Ensure the planning system, including Local Development Plans, help support the delivery of the appropriate supply of housing, reflecting the changing nature of need and demand with consideration to wider policy influences including adaptive reuse and climate change.**
- **Work in new and different ways with local Councils and Community Planning Partnerships to realise opportunities to increase and maintain housing supply and help create sustainable and inclusive urban and rural places.**

Existing and New Enabling Activities

Building on the activities outlined under Objectives 1 -3, we will:

- Continue to progress and support the delivery of the Shared Housing Programme;
- Support the development of town and city centre waiting lists to provide improved housing options supported by accompanying soft and hard infrastructure that creates attractive and cohesive spaces in which people wish to live;

- Work with the Housing Executive, local government and housing delivery partners to mainstream mixed tenure in both social and private housing developments. This will involve the development of a mixed tenure policy;
- Develop a housing-led regeneration policy to focus on the reversal of physical, social and economic decline in areas of social deprivation and which takes account of the changing use of our villages, towns and city centres;
- Contribute to the implementation of the Housing Executive's 'Reaching Rural' 2021-2025 Strategy. The Strategy contains a key theme of 'Enabling the provision of affordable rural homes' and explicitly acknowledges many of the issues raised through the Call for Evidence, including hidden housing need, higher occurrence of less energy efficient homes and fuel poverty and infrastructure constraints. Also of direct relevance to the Call for Evidence, the Strategy commits to examine how community led housing can help address housing supply issues faced by rural communities.[35]
- Explore the potential for Community Wealth Building approaches, including Community Asset Transfers to assist in the delivery of affordable housing which responds to local housing needs. This will include consideration of, if and how we can measure social value in the disposal of public land and property.
- Undertake research in new approaches to place making and their applicability to urban, suburban and rural areas. This could include sustainable approaches to contemporary place-making such as plot-based urbanism or gentle density alongside mechanisms for meaningfully engaging communities in place shaping and place making activities locally.
- Research and investigate how best to work with multiple agencies and other stakeholders to develop innovative demonstration projects to address the housing needs of those most in need.

35 https://www.nihe.gov.uk/Documents/Consultation-Draft-Rural-Strategy-2021/Draft-Rural-Strategy-2021-2025-(PDF-1-5MB).aspx

Objective 5: Decarbonisation

Decarbonisation: Reduce whole-life carbon emissions from both new homes and existing homes and support a 'just transition' to carbon neutrality.

Introduction:

Within New Decade New Approach,[36] the Executive committed to tackling climate change head on. This Strategy will support this existing commitment.

The Strategy recognises the key role that both the construction of new housing and the retrofitting of existing homes will play in helping to achieve an ambitious target of reducing all carbon emissions by 56%, by 2030 compared to 1990 levels – and ultimately to achieve net zero by 2050.[37] Measures to improve the energy efficiency of the housing stock are undoubtedly a cost-effective intervention over the long-term that help reduce emissions and address fuel poverty. Location of housing will also be an important factor in reducing carbon. This links to Objective 4.

Based on current practices, technologies and building standards, constructing new homes using traditional practices and materials will generate pollutants that accelerate global warming. Similarly, heating existing, less thermally/energy-efficient homes will mean we continue to burn more fossil fuels – which is also detrimental for the environment.

People are concerned about the impacts of the energy transition, particularly how it may change their everyday lives as well as the costs associated with achieving carbon neutrality. It is the responsibility of government to help by clearly setting out the changes that are required and implementing mechanisms to support people through the transition period, including behavioural change. Careful consideration (and tailored support) must be given to those most in need, including those disadvantaged and/or marginalised groups. It is also vital that we continue to engage with people throughout the transition to carbon neutrality.

This transition to carbon neutrality, although challenging, presents a major opportunity for the housing sector, a chance to make a fundamental change in its ambitions, processes and social contribution.

Long Term Policies and Interventions

The long term policies and interventions to support a just transition and an equitable decarbonisation of both new and existing supply are:

- **Protect and optimise existing supply, across all tenures, with consideration to retrofit, adaptive reuse and climate resilience.**
- **Support the vision and objectives of the Green Growth and Energy Strategies, with an emphasis on improving the energy efficiency of homes and ensuring a just transition to decarbonised solutions.**

Existing and New Enabling Activities

Building on the activities outlined under Objectives 1 -4, we will:

- Ensure that green growth is central to all our supply policy and budgetary decisions and support the new Green Growth test proposed under the Executive's draft Green Growth Strategy which seeks to ensure delivering Green Growth is a budgetary priority across the public sector.

36 2020-01-08_a_new_decade__a_new_approach.pdf (publishing.service.gov.uk)
37 https://www.theccc.org.uk/wp-content/uploads/2020/12/The-Sixth-Carbon-Budget-The-UKs-path-to-Net-Zero.pdf

- Support the delivery of initiatives in the Energy Strategy options consultation that have a housing focus, including:
  - Improving information and advice on energy efficiency and transitioning to net zero;
  - Ensuring energy is affordable for those on low incomes;
  - Enhancing energy efficiency of homes; through:
    - Enhanced building regulations
    - Setting Minimum Energy Efficiency Standards (MEES)
    - Development of new approaches to support retrofit of existing homes; and
  - Identifying and addressing key skills needed.
- Deliver a new Fuel Poverty Strategy within the context of decarbonisation and just transition;
- Put in place minimum standards for the PRS, as part of a wider Executive policy to set MEES for all domestic tenure types (this also links to Objective 3 in relation to actions to improving quality and addressing affordability challenges in this sector).
- In line with the Energy Strategy options consultation, work with social and intermediate housing providers to ensure the homes they build are Net Zero ready by 2026/27.
- Make increased funding available to enable Housing Associations to build new homes to an energy efficiency standard that exceeds Building Regulations. This will reduce heating costs for tenants, remove the need for expensive retrofitting, and increase expertise and knowledge of low energy housing in the sector in advance of future clarification on Net Zero requirements and uplifts in building regulations.
- Work with social and affordable intermediate housing providers to advance decarbonisation in existing homes, to meet our climate change targets, improve the quality of homes and reduce heating costs for tenants.

Delivering the Strategy

Definition of Success

The aim for this Strategy will be to create a housing system that can deliver upwards of 100,000 homes over its lifetime. Crucially these will be homes of the right quality, right type, right cost and in the right locations to meet our current and future housing needs and demands.

To this end this Strategy is based on the assumption that as an Executive we will:

- Prioritise housing and deliver for those most in need;
- Grow the economy;
- Address investment in Infrastructure;
- Improve our Planning System;
- Release public sector land (both local and central government owned) where appropriate;
- Invest in modernising our skills;
- Secure the necessary funding for our decarbonisation requirements; and
- Maximise the availability of public and private finance.

Delivery Roadmap

The Housing Supply Strategy will be delivered through a series of detailed Action Plans, each of which will align with budget periods. By adopting this approach, we will ensure the actions that underpin the Strategy, are aligned to an ever-changing social, economic and environmental context. This will ensure the Strategy remains relevant and appropriate and provides a dynamic model for delivery, which is both flexible and focused.

To ensure delivery remains focused on our vision and objectives we will be:

- **Working Collaboratively:** across the system of government to transform supply
- **Thinking Differently:** acknowledge that transforming supply means protecting existing homes as well as providing new homes
- **Promoting Change:** by taking forward new and different solutions with both existing and new delivery partners

Working Collaboratively

Implementing this Strategy will require coordination across local and central government as well as new and different arrangements with both the third sector and private sector. To provide leadership and co-ordination across both central and local government landscapes we will implement a new Programme Structure to coordinate delivery of the Strategy and associated policies.

We will contribute to and work alongside wider and related work streams, including the delivery of the Energy Strategy, the Green Growth Strategy, the new Anti-Poverty Strategy, the Children and Young People's Strategy 2020-2030, the Mental Health Strategy 2021-2031 and the ambitions of 10X Economy. We will work with delivery partners and stakeholders to map where current capabilities and responsibilities exist and identify gaps or constraints in delivering our vision. We will then set out our plans for delivery of the Strategy.

Thinking Differently

This new approach is about collaborating to provide 'whole system' solutions and capitalising on the different strengths, expertise and experience of partners. Progressing this approach will include the ongoing development and stewardship of action plans.

Promoting Change

Delivering on our supply needs is not just about building more homes, rather it involves ensuring that we have the right types of homes in the right places and we protect and enhance the homes we already have. It is also about unblocking barriers, while exploring new ways of doing things and working better with both new and existing partners.

Review and implement necessary legislative, policy and regulatory changes

New legislation, policies and procurement protocols are likely to be required to underpin the delivery of the Strategy. We will identify where new powers and policies are needed to enable strategy delivery and set out a framework for implementing these.

Produce a comprehensive evidence base to inform policy decisions

We will publish an outline of the research, modelling and analysis that will support the Strategy moving forward.

Equality and Rural Needs

We will also establish monitoring systems for the EQIA and Rural Needs Impact Assessment which accompanies this Strategy and this information will help shape actions to address identified housing inequalities throughout the Strategy.

Monitoring

We will carry out a strategic review of this Strategy every five years. We will publish annual progress reports on this Strategy and it will be updated as necessary.

Progress reports will:

- Track our identified metrics and monitor progress;
- Refresh and update the action plan, including new actions identified; and
- Provide an overview of strategic developments

The first progress report will be published covering the period to March 2023.

Questions

Consultation Questions: We would like to thank you for your input so far and we would urge you to contribute to shape the development of the final strategy.

Responses to the questions should be made via the Citizenspace survey which can be found on the Housing Supply Strategy consultation **webpage.**

If you are unable to complete the survey online please contact the Housing Supply Strategy team by email: **dfchousingsupplystrategy@communities-ni.gov.uk**

Strategic Framework

1 The Call for Evidence consultation showed that there was broad support for the proposed vision, objectives and timeframe for the Strategy. Based on the comments received we have updated these for the draft Strategy – are you content with these?

2 The assessment of the Call for Evidence has enabled us to develop a total of 15 longer term policies and interventions that will provide the basis to develop appropriate action plans. Do you agree with the focus of these 15 high level long term policies and interventions?

3 The Strategy includes an enabling principle to: 'Adopt a whole system approach, collaborate with central and local government and the third and private sectors to inclusively transform supply.' Do you agree with the proposed enabling principle?

Measurement

4 Do you agree with the proposed ambition to deliver 100,000 plus homes over the 15 year lifespan of the Strategy?

5 Do you agree with the proposed indicators to measure the success and progress of the Housing Supply Strategy?

6 Are there any additional indicators that you consider would add value in measuring success and progress?

Delivery and Oversight

7 How can we best ensure that key strategic partners such as other Departments, local government, the Voluntary & Community sector and private sector can participate in the delivery and oversight of the Supply Strategy delivery?

Action Planning

8 Are there any proven or new approaches you are aware of, that you believe would help us work best with other organisations to develop and deliver the action plans?

Citizen Engagement

9 There was broad support in the Call for Evidence for the need to engage local communities in housing supply to create sustainable, thriving and inclusive communities. In what way do you consider this could best be achieved and do you have any examples of best practice in this area?

Equality

10 Do you agree with the findings of the EQIA?

11 Are there any other inequalities that have not been highlighted in the EQIA that you believe the EQIA needs to note?

12 Do you agree with the immediate next steps as outlined in Section 5 of the EQIA?

Rural

13 The Rural Needs Impact Assessment outlines that the development of the Housing Supply Strategy is likely to have a positive impact on people on Rural Areas? Do you agree with this assessment?

14 Is there any other evidence, information or issues you think should be considered in this screening?

General

We would welcome any other comments or suggestions you have that you consider are relevant to developing and delivering the Housing Supply Strategy.

Annex A – Key Trends Impacting on the Housing Market

Key Trends Impacting the Housing Market

NI Household Projections 2011-2031 Source NINIS

2011	2021	2031
1.8 Million	1.9 Million	2.0 Million

+ Fertility - Death Rate +/- Migration

NI Household Projections 2011-2031

2011		2021		2031
703,275	+5.9%	744,754	+5.8%	787,923

Tenure 2008/09 - 2018/19

	Owned Outright	Buying with Mortgage	Social Renting	Private Rented
2008/ 2009	34%	34%	16%	16%
2018/ 2019	39%	27%	15%	19%

Soruce: Family Resource Survey

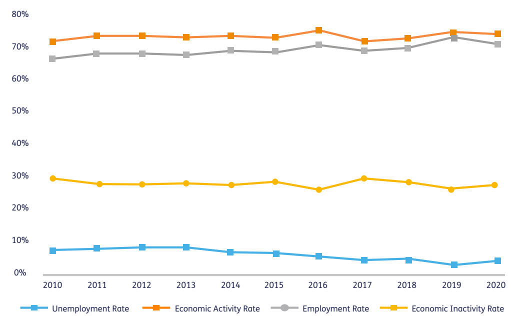
Economic Inactivity*

Northern Ireland July - September 2020: **26 . 8%** of working age people

United Kingdom July - September 2020: **20 . 9%** of working age people

*The proportion of people aged from 16 to 34 who were not working and not seeking or available to work

NI Labour Market Trends 2010-2020



Source: NISRA Labour Market Report

1 in 10

Source: Living Wage Foundation and New Economics Foundation June 2020

NI Average Household Size: 2011-2031

2011	2021	2031
2.54	2.52	2.46

37 2011 Median Age

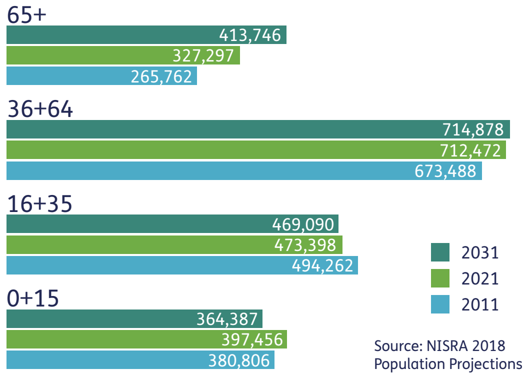
39 2019 Median Age

Number of NI population 85+

+30% between 2011 and 2021

+38% between 2021 and 2031

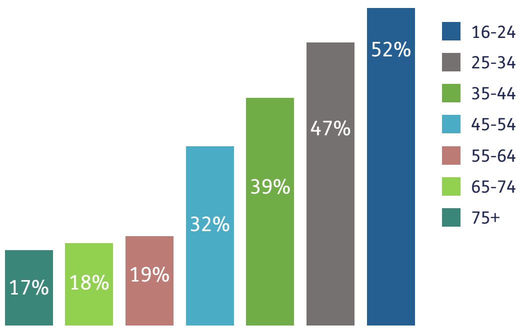
Population Age Profile



Source: NISRA 2018 Population Projections

Limiting Long Standing Illness

30%
of respondents have a limiting long standing illness that reduces their ability to carry out day to day activities



Source: Health Survey NI 2019/20

Workers in NI are Low Paid, Insecure Employment*

*This includes those earning less than the living wage; and in temporary employment, self-employment or those who report volatile pay and/or hours.

Annex B – Long Term Policies and Interventions – How they Contribute to Objectives

Policies and interventions	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5
Work collaboratively and innovatively with the private, public and third sectors to address issues around land availability and considering issues such as: local services, infrastructure constraints, sustainable drainage, digital connectivity and transport.	Primary[38]	✓	✓	✓	✓
Enhance our open data platforms to improve access to housing, land, property and planning data, creating better transparency and unlocking opportunities to transform supply.	Primary	✓	✓	✓	✓
Ensure our housing policy and legislative framework enables us to deliver the housing supply to meet our current and future needs and demand patterns.	Primary				
Support upskilling, reskilling, delivery of pprenticeships and training for both existing workers and new workers in order to underpin a modern integrated housing system. This will include ensuring that public procurement spend contributes to the Executive's objectives, including creating jobs in deprived areas and ensuring security of our wider supply chain.	Primary				
Work innovatively to optimise access to alternative forms of public and private finance such as Financial Transactions Capital (FTC) and institutional funding to develop and deliver new and affordable housing products.	Primary	✓			
Deliver housing solutions for citizens who are most in need, recognising the inequalities identified through the Equality Impact Assessment developed to support this Housing Supply Strategy		Primary		✓	
Develop and implement new policies that will support the delivery of a more diverse range of housing types/alternative models of housing to meet all housing needs		Primary		✓	
Improve our response to homelessness with a focus on prevention and learning the lessons from what worked so well during the pandemic as well as innovations from elsewhere		Primary			

38 The Primary objective is the objective it is captured under within the Strategy.

Policies and interventions	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5
Update existing policies and develop new policies that will ensure our housing standards support the delivery of higher quality homes across all tenures	✓		Primary	✓	✓
Work collaboratively to ensure the design of our homes support those with care needs to live independently if they wish to do so			Primary		
Putting place-shaping at the heart of our actions by developing policies that will support delivery of housing led regeneration, encourage mixed tenure and promote shared housing.	✓			Primary	
Ensure the planning system, including Local Development Plans, can deliver the appropriate supply of housing, reflecting changing nature of need and demand and with consideration to wider policy influences including adaptive reuse and climate change.	✓			Primary	✓
Work in new and different ways with local Councils and Community Planning Partnerships to realise opportunities to increase and maintain housing supply and help create sustainable and inclusive urban and rural places.				Primary	
Protect and optimise existing supply, across all tenures, with consideration to retrofit, adaptive reuse and climate resilience.	✓	✓	✓	✓	Primary
Support the vision and objectives of the Green Growth and Energy Strategies, with an emphasis on improving the energy efficiency of homes and ensuring a just transition to decarbonised solutions.	✓				Primary

Available in alternative formats.

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