



PAPER 5

Affordable Housing Supply

**NORTHERN IRELAND HOUSING
MARKET REVIEW** 2024/25



**Housing
Executive**

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Foreword

I am delighted to introduce this first edition of our refreshed Northern Ireland Housing Market Review, which we are pleased to re-establish as an annual publication and a resource for the collation and dissemination of housing-related data.

In developing the new format, the Housing Executive's Research Team consulted with colleagues and stakeholders in the housing sector; we are grateful for their input, and that of the editorial team, which provided both feedback and content.

Alongside this report, a series of data tables will be made available, which will allow for all data contained in the publication to be downloaded and used by the reader. These data tables will be updated throughout the year, as and when new figures are released.

This report is published against a backdrop of acute housing supply challenges, however we welcome the specific priority attached to housing supply in the new Programme for Government, coupled with the Housing Supply Strategy. It places important emphasis on the development of the right kind of housing in the right places. As well as providing much-needed homes for those in housing need, this focus on delivery will also make a significant contribution to the local economy and the stability of the construction sector for years to come. Reducing homelessness and housing stress are a key Northern Ireland Executive priority with a welcome focus on prevention and collaboration across departments.

Our mission – as set out in our Corporate Strategy for 2025/26 – 2027/28 is to ensure that housing helps resolve some of our greatest challenges. Through good housing, we aim to help end health inequalities, prioritise early intervention and prevention, protect our communities from climate change, and drive sustainable economic growth.

We are ambitious about what can be achieved over the next ten years. As we plan future activities, the data, research and information brought together in this comprehensive document provides a critical evidence base for us as an organisation. We trust that it will also be a useful reference point for our partners and stakeholders across and beyond the housing sector.

Grainia Long
Chief Executive

Introduction

The Northern Ireland Housing Market Review consists of a series of papers covering a range of housing topics, market data, analysis and commentary which is designed to provide important background and contextual information for the development of housing strategies and housing policy as well as direct intervention in the housing market.

It draws together key statistics compiled by the Housing Executive, Government departments, universities, and the private sector. The intention is that this document will become an annual publication and will contribute to the formation of the Housing Executive's Corporate and Business Plans, thereby helping to guide the organisation's intervention in the housing market and providing an important means of monitoring the strategic impact of this intervention.

Papers 1 & 2 (Economic Overview and Review of Northern Ireland households) provide a summary of trends in the economy and key demographic indicators from the most recent Census (2021).

Papers 3, 4 and 5 (House Sales and Affordability, Private Rented Sector and Affordable Housing) examine trends and developments in each of the three main housing tenures: social housing, the private rented sector and owner occupation. Each paper highlights the key issues emerging from the analysis, research gaps and the strategic perspective.

Paper 6 provides an overview of the assessment of housing need.

Paper 7 focuses on the development process for the new Housing Supply Strategy.

Additional papers will be released over the coming months via the Housing Executive website.

I would like to take this opportunity to extend my thanks to the editorial team members and our team of Housing Executive researchers who have dedicated considerable time to the production of this report and associated data tables. I hope you find the papers of this report useful and informative.

Ursula McAnulty
Head of Research

Acknowledgements

We would like to thank the members of the editorial team and all those who contributed to the compilation of the data and commentary contained in the Northern Ireland Housing Market Review 2024/25.

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The content of this report does not necessarily reflect the official opinion of the Housing Executive.

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Holding Page – Key Trends Infographics

- SHDP budget for 2024/25 = 1400 new starts
- SHDP budget for 2025/26 = 1000 new starts (approx.)
- New start target = 2000 (approx.)
- Slowdown in social housing construction over recent years.
- Over 10,500 homes = Co-Ownership homes.
- 49,083 applicants on waiting list for social housing as of March 2025
- Number of applicants experiencing housing stress was 37,635
- Approx 6,000 allocations per year.
- The Housing Executive average weekly rent was £74.22 for 2023/24.

5. Affordable Housing Supply

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Social Housing Construction

Social housing in Northern Ireland is delivered through the Social Housing Development Programme (SHDP) a tri-partite arrangement between the Department for Communities (DfC) the Housing Executive (NIHE) and Registered Housing Associations (HA's). Whilst DfC sets overall housing policy and provides funding, the Housing Executive through their Development Programme Group is responsible for oversight and day to day management of the SHDP with the Housing Associations bringing forward developments in areas of identified social housing need. Separately, the Housing Executive also guides Housing Associations through its Annual Commissioning Guide, on areas of social housing need, and with an important role in development planning and development management, enables new build through its advice to planning authorities.

The Housing Executive delivers grant funding to Housing Associations, who are the primary providers of social housing in Northern Ireland, and which in turn use the grants and private borrowing to fund new building projects in the social sector or purchase new builds from developers. Housing Associations also purchase existing properties in a good condition and renovate existing properties for use in the social sector.

The figure below charts the new dwelling starts and completions that Housing Associations have delivered over the last thirteen years.

The number of new dwelling starts within the social housing sector has varied over the last few years with a high of 2,418 new dwelling starts in 2010/11 to lows of 761 starts during the Covid-19 pandemic (2019/20).

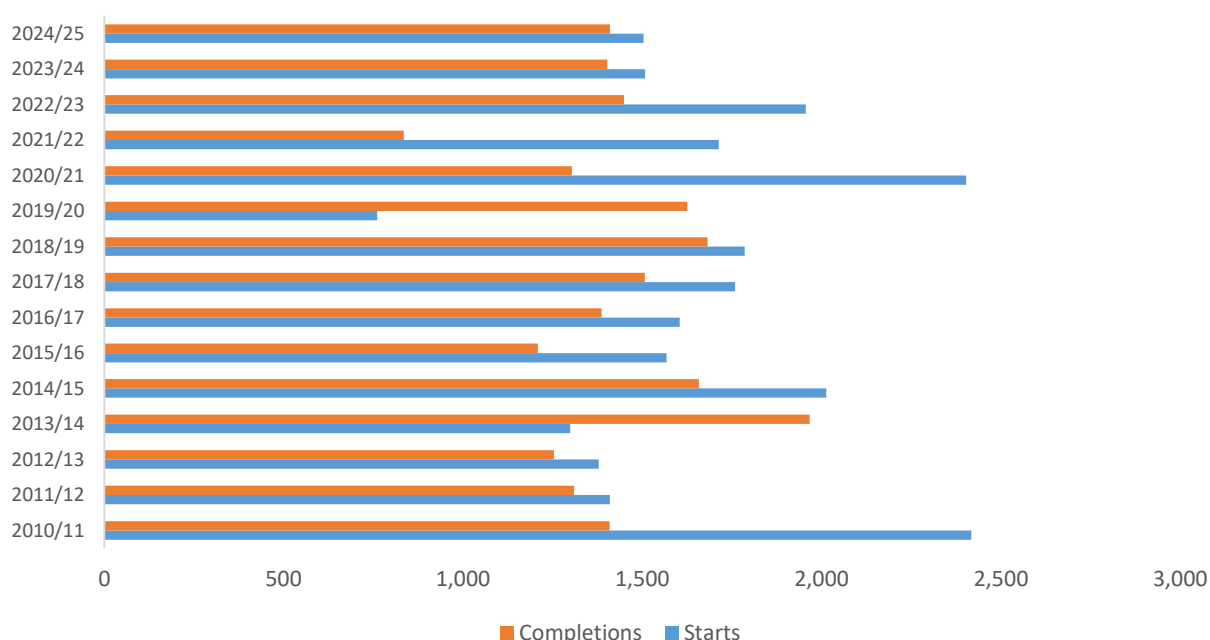
In most recent years, the reduction in starts has been due to a reduced capital allocation for social housing new build. A total of 1,504 new dwelling starts were recorded in 2024/25, continuing a trend from the previous year of approximately 500 new dwelling starts below the approximate 2000 new build units needed annually. The number of new dwelling completions has remained consistent over the last three years, with 1,410 new dwelling completions delivered during 2024/25.

The Programme for Government includes specific targets for new build social housing. A reduced budget in 2024/25 followed by a capital allocation that is insufficient to provide 2000 starts in 2025/26 makes it unlikely, at this point (August 2025) that the Programme for Government target will be met; without a significant increase in capital during 2025/26 and again in 2026/27. Consequently, more households will be waiting longer for permanent social housing, and in the interim, many will have to remain in the private rented sector or in temporary accommodation, both of which are more expensive to the public purse than social housing¹.

¹ <https://www.nihe.gov.uk/nihe-response-to-dfc-budget-2025-2026-eqia>

Overall social housing construction is not keeping pace with need. Rather than showing a clear increase in starts and completions Figure 5.1 shows a slowdown in social housing construction over recent years, while need for social housing and homelessness services has increased.

Figure 5.1: New Build Social Housing Starts and Completions 2010/11 - 2024/25



Source: NIHE

The Housing Executive recently completed a new build programme, the first the Housing Executive has delivered in 25 years. The pilot scheme consisted of six homes at Sunningdale Gardens, North Belfast. The scheme was built using Modern Methods of Construction (MMC) and ultra-low energy building techniques, to Passive House standard, providing a blueprint for the Housing Executive's future building objectives. There is much to learn from pilot schemes such as Sunningdale and recent research into the costs of social housing construction has highlighted the data gap in terms of construction costs across the sector and adaptations in social housing. Social housing in Northern Ireland costs more to build than the private sector and schemes are rarely built at the scale of private developers to reduce overall unit costs².

This is potentially a turning point for the Housing Executive with the potential to improve and increase social housing construction in Northern Ireland if the largest social housing provider is given the financial capacity and policy levers to deliver newly built homes. The Northern Ireland Executive has stated in the Programme for Government that: "We are seeking Treasury agreement for appropriate treatment of borrowing to enable the Housing Executive to increase investment in its homes, improve energy efficiency, and contribute to new supply" [Our Plan: Doing What Matters Most](#). Additionally, the UK Chancellor's June 2025 Spending Review makes a commitment to including Housing Executive borrowing in the forthcoming negotiations on a full Northern Ireland Executive Fiscal Framework³.

² <https://www.nihe.gov.uk/standards-and-costs-of-developing-social-housing-in-northern-ireland.pdf>

³ [Spending Review 2025 \(HTML\) - GOV.UK](#)

In addition to new supply, the protection of existing assets must be considered. Whilst tenants of Housing Associations in Northern Ireland can no longer avail of the House Sales scheme and the administrations in Scotland and Wales have abolished Right to Buy, the scheme still applies for Housing Executive tenants.

The House Sales Scheme was introduced in Northern Ireland in 1979. In the early eighties more than 5,000 Housing Executive properties were being sold annually, however, with the introduction of changes to the house sales scheme as well as the increase in house prices, Housing Executive house sales dropped to 54 properties sold in 2008/09. The volume of sales did increase over subsequent years and during 2024/25, 212 Housing Executive properties were sold.

UK Government has recently announced plans to exempt new build social housing in England from Right to Buy for 35 years, along with other measures designed to control the loss of social housing stock through Right to Buy schemes⁴. The Housing Executive has previously asked Ministers to end the House Sales Scheme as it applies to its stock, and has most recently submitted proposals to the Department for Communities to amend the House Sales Scheme to protect stock and assist with maintenance of its assets.

Social Housing Allocations

The Housing Selection Scheme is administered by the Housing Executive to assess social housing applicants and award points according to their housing need. The level of points awarded determines an applicant's position on the Common Waiting List. Over the last number of years there has been a steady increase in the overall number of applicants for social housing.

There were 49,083 applicants on the waiting list for social housing as of Jan-March 2025 which is, at time of writing, the highest number of social housing applicants on the waiting list over the last 20 years.

As of 1st April 2025, applicants are assessed and awarded points within three main categories:

- Insecurity of Tenure
- Housing Conditions
- Health and Social Well Being Assessment

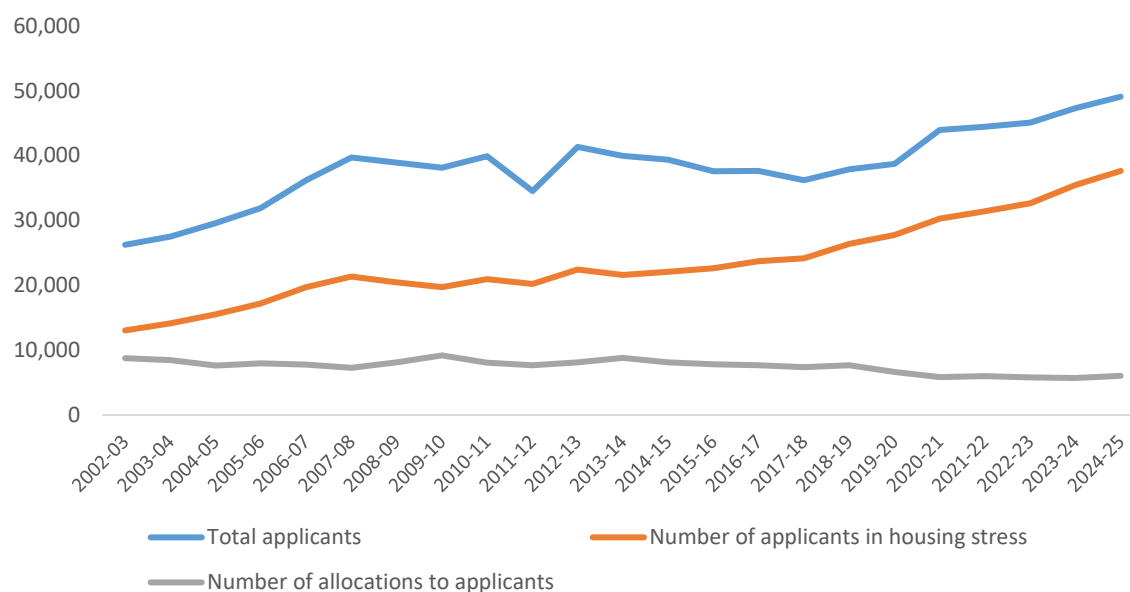
Applicants are deemed to be in 'Housing Stress' if they are awarded 30 or more points.

There has been a steep increase in applicants experiencing housing stress since 2013/14 and the number of applicants experiencing housing stress is now at an all-time high (37,635, Jan-March 2025) representing three-quarters of all housing applicants.

Social housing has always been an important option for those seeking security of tenure and many applicants for social housing choose to remain on the waiting list to keep housing options open, even though the wait for an offer of housing could be considerable. Allocations have flatlined for the past four years, hovering around the low of 6,000 allocations per year as the number of applicants and those experiencing housing stress increase. Around a tenth of total housing applicants (12%) were allocated housing in 2024/25, compared to more than a quarter of applicants in 2003/04 (29%) and a fifth of housing applicants in 2013/14 (22%).

⁴ <https://www.bbc.co.uk/news/articles/c6257pr3q76o>

Figure 5.2: Number of Social Housing Applicants, Housing Allocations and Applicants in Housing Stress as of Jan-March Per Year (2002/03 - 2024/25)



Source: NIHE

The Housing Executive is implementing changes to the Housing Selection Scheme and social housing allocation process in Northern Ireland. This involves the implementation of 18 Proposals for Change which were agreed following the Department for Communities' Fundamental Review of Allocations (FRA). The changes are being delivered over a three-year period.

Proposal 4 of the Fundamental Review of Allocations states:

'The Housing Executive can meet its duty to homeless applicants on a tenure-neutral basis, provided that the accommodation meets certain conditions. This proposal should ensure a greater range of ways in which the Housing Executive can meet its duty to homeless applicants and increase the options for meeting applicants' housing need'.

Housing Benefit

The Housing Executive administers Housing Benefit for social tenants and tenants in the private rented sector. In 2023/24 a total of £470 million in Housing Benefit payments were administered by the Housing Executive.

The majority (78%) of Housing Executive tenants receive housing assistance to pay their rent in the form of Housing Benefit (HB) or Universal Credit (UC).

Welfare reform has been implemented gradually in Northern Ireland since 2016, with mitigations. New benefits claimants of working age receive UC as opposed to HB to help with housing costs. Therefore, over time, there will be a steady decrease in HB payments as Universal Credit will increasingly contribute to housing costs.

Housing Executive average weekly rent is generally the lowest weekly local authority (LA) rent compared to the rest of the UK (£74.22 for 2023/24) and despite a 7% rent increase applied in April 2023.

Table 5.1: Average Weekly Local Authority Rents by UK region (2012/13 - 2023/24)

Region	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
England	82.64	86.29	88.16	87.37	86.71	85.85	85.68 ^R	88.27	89.69	93.42	..
Wales	72.59	75.83	78.57	81.28	84.78	89.48	92.37	95.08	96.45	99.19	105.08
Scotland	59.73	64.01	66.11	67.83	69.26	71.39	73.29	75.76	77.19	79.07	..
Northern Ireland (NIHE)	60.88	63.46	66.60	66.61	66.60	66.59	66.59	68.39	69.41	69.41	74.22

Source: NISRA

Housing Association rents in Northern Ireland include rents and service charges so are not directly comparable. Data is collected on general needs Housing Association accommodation which shows an average rent of £109.25 for a three-bedroom home and £83.86 for a one-bedroom home during 2022/23. Data for 2023/24 is currently unavailable.

Table 5.2: Average Housing Association Rents NI (General Needs: 2018/19 - 2022/23)

Property Type	2018-19	2019-20	2020-21	2021-22	2022-23
Non-Self Contained	*	*	*	*	64.27
Bedsit	67.23	69.44	58.19	58.50	57.96
One bedroom	74.15	78.15	79.63	80.59	83.86
Two bedrooms	88.08	91.13	92.70	93.51	97.55
Three bedrooms	99.58	102.60	103.90	105.31	109.25
Four bedrooms	104.78	107.77	110.29	111.82	115.36
Five bedrooms	114.64	117.81	119.32	116.46	119.09
Six or more bedrooms	*	*	*	142.13	139.80
Total	91.62	94.74	96.20	97.20	100.97

Source: DfC Housing Statistics

Intermediate Housing Supply

Co-Ownership Housing

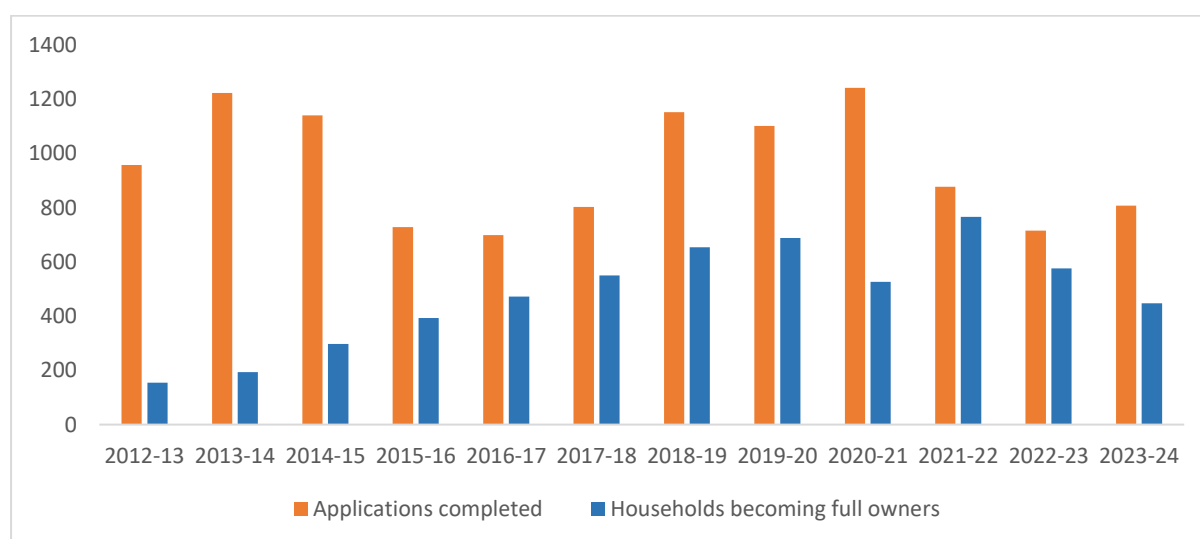
Co-Ownership is Northern Ireland's regional body for shared ownership, supporting low to medium income households with some affordability issues, including those with low, or in some cases no, deposit into home ownership. Over 10,500 homes across Northern Ireland are currently Co-Ownership homes.

Co-Ownership operates on a "DIYSO" (Do It Yourself Shared Ownership) basis where customers select a property of their choice to purchase through a shared ownership arrangement. The customer will purchase between 50% and 90% of the property and Co-Ownership will purchase the rest, creating an equity sharing lease. The customer will then pay the mortgage on their share of the property & pay rent to Co-Ownership for its share.

In 2023/24 Co-Ownership completed 807 applications and 448 customers bought their property outright. The amount of annual completed applications has been significantly higher over the last 10 years but there is the potential that interest rates, house prices and the cost-of-living crisis could dampen the appetite for co-ownership in the interim.

In March 2025, the Minister for Communities⁵ announced an increase in the Co-ownership property value limit from £195,000 to £210,000, alongside a Financial Transactions Capital (FTC) funding package of £153million, with a view to supporting up to 4,000 local households to buy their own home over the next 4 years. It is estimated that approximately 1,200 of these purchases will be new build homes.

Figure 5.3: Co-Ownership Housing: Applications Completed and Full Owners by Year



Source: DfC NISRA Housing Bulletin

⁵ <https://www.communities-ni.gov.uk/news/minister-announces-ftc-funding-programme-co-ownership>

Intermediate Rent

As affordability increasingly becomes more challenging in the Private Rental Sector, the DfC has sought to identify and develop alternative affordable housing (for rent and for sale) products for Northern Ireland. DfC has published a new affordable housing policy which sets the framework for the development of more high quality, long term, affordable housing with support services. Broadening the definition of affordable housing has allowed for the development of new housing models and DfC has undertaken public consultation which gathered views on how one such new housing product should work.

Intermediate Rent⁶ is a new housing product for the local housing market, which will provide an additional rental choice for lower to moderate income households, providing longer term, higher quality homes at below market rents. It can make a positive difference for tenants when it comes to rental affordability and can reduce or remove some of the barriers which some people can face in finding and sustaining a tenancy in a home that meets their needs. Research has provided useful insights that have shaped the intermediate rent measure proposed by DfC such as PRS tenants desire for longer term tenancies and the need for help with deposits⁷. It is most likely to be a suitable option for households who can pay more than social rents but for whom open market rents present an affordability issue⁸.

Intermediate Rent is one of a range of measures aimed at increasing the supply of and access to affordable housing. The delivery of more affordable housing is a central tenet of the Housing Supply Strategy 2024 – 2039 and forms part of a strategic objective within the Department's 2024/25 Business Plan⁹. This new type of affordable housing can also contribute to supporting the delivery of affordable housing through Local Development Plans, which are being taken forward by Councils.

The intermediate rent policy intends to put in place the mechanisms to:

- Offer homes for rent with a minimum of 20% discount on prevailing private market rents for a similar property type and size within a locality.
- Provide homes of a size and type suitable for the number of occupants in locations where people wish to live.
- Provide longer tenancies of up to 5 years with renewal options subject to the agreement of the landlord and tenant.
- Remove barriers to accessing rental accommodation such as deposits, for lower income households.
- Offer tenants access to effective and prompt property management and tenancy support services.

DfC has published Intermediate Rent Policy and Design Standard documents¹⁰ which provide further details on the product and were developed following extensive stakeholder engagement. Work is ongoing regarding the financing of the development of intermediate homes, with the DfC conducting an open competition to select an Intermediate Rent Operator in Summer 2024. The competition sought proposals for the delivery of a new supply of homes using this finance. The Department's funding is expected to be in the form

⁶ <https://www.communities-ni.gov.uk/articles/intermediate-rent>

⁷ <https://www.nihe.gov.uk/Intermediate-Rent-Report-NI.pdf>

⁸ Intermediate Rent Policy, March 2023. www.communities-ni.gov.uk/articles/intermediate-rent

⁹ <https://www.communities-ni.gov.uk/articles/new-housing-supply-strategy>

¹⁰ <https://www.communities-ni.gov.uk/publications/intermediate-rent-policy-and-homes-intermediate-rent-design-standards>

of a loan and will contribute to the overall cost to develop and operate the new intermediate rent units. The Department intends to work with Maple & May LTD – the newly selected Intermediate Rent Operator - who will deliver and let these homes in line with the policy and design standards. Funding for the delivery and letting of an initial 300 intermediate rent homes is planned and the funding available will be a long-term low interest Financial Transactions Capital Loan. The Intermediate Rent Operator will, subject to conditions, use that funding alongside their own contribution to deliver and operate the Intermediate Rent homes.

There are multiple issues impacting the delivery of affordable housing in Northern Ireland:

- The squeeze on local household incomes is evidenced through the increase in the social housing waiting list and those experiencing housing stress, the increase in need for temporary accommodation, and the increase in homelessness due to loss of private rented sector accommodation.
- The multiple freezes on Local Housing Allowance rates have had a cumulative impact on low-income households reducing the affordability of the private rented sector and increasing need/demand for social housing.
- Affordability in the private rented sector has consistently decreased, again driving demand from lower income households for access to social housing services.
- Social housing supply has been insufficient to meet need/demand and again has been subject to the cumulative impact of inconsistent, short term budgeting arrangements.
- The rise in construction costs and shortage of skilled construction workers has also had an impact on delivery of new supply.

The priority given to affordable housing in the Programme for Government, and the publication of the Housing Supply Strategy could mark a watershed if they result in a genuine strategic shift towards a 'whole systems' approach to housing. The bringing forward of Local Development Plans, the commitment to cross-tenure housing at scale, the emergence of new affordable housing products, the cross-party consensus which has emerged towards the Housing Executive contributing to new supply and the continued maturity of a well-governed highly performing housing association sector, suggest that Northern Ireland's housing system is well placed to drive up supply in the decade ahead. While these fundamental building blocks are mainly in place, others are not. Infrastructure investment will of course be a critical test. So too is housing subsidy, in other words how we pay for the affordable housing we need. This urgently needs focus. Capital and land must be deployed carefully and creatively in the coming years, if we are to meet the scale and nature of housing need, drive the local economy and enable our communities to live well.

List of abbreviations

BRMA	Broad Rental Market Areas
DFC	Department for Communities
DPG	Development Programme Group
EQIA	Equality Impact Assessment
EU	European Union
FDA	Full Duty Applicant
FRA	Fundamental Review of Allocations
FRS	Family Resource Survey
FTB	First Time Buyer
FTC	Financial Transactions Capital
HAG	Housing Association Grant
HCS	House Condition Survey
HMA	Housing Market Area
LA	Local Authority
LDP	Local Development Plan
LPP	Local Policies Plan
LPS	Land and Property Services
MMC	Modern Methods of Construction
NHBC	National Housing Building Council
NI	Northern Ireland
NICEI	Northern Ireland Composite Economic Index
NIHE	Northern Ireland Housing Executive
NISRA	Northern Ireland Statistics and Research Agency
ONS	Office for National Statistics
PBMSA	Purpose Built Managed Student Accommodation
PRS	Private Rented Sector
SES	Socioeconomic Status
SHDP	Social Housing Development Programme
SHMA	Strategic Housing Market Area
T:BUC	Together: Building a United Community
UK	United Kingdom
UU	Ulster University