First Insight Housing Market Intelligence Exchange

The Housing Executive hosted its first Insight housing market intelligence exchange on Thursday 27 November 2014.

More than 40 key professionals representing various elements of the housing sector (including private renting, social landlords, the construction industry, banking and finance, planning, the voluntary sector and researchers) joined Housing Executive colleagues in this new initiative.

Insight is a forum set up for key players in the wider Northern Ireland housing market to share and discuss housing research and key issues facing them and their organisations, for the benefit of all working in the sector.

The Housing Executive has set up Insight because we believe that good research, intelligence and insights are key drivers of innovation in a sector that is constantly changing. Exchanges of information and thinking lead to better, more successful delivery of housing, and will help as the sector works to meet the increasingly sophisticated expectations for – and demands on – housing in the future.

We plan to organise two Insight events each year. The events will cover a wide range of topics, but will generally focus on a specific issue relating to one of six key themes:

• Quality services
• Better homes
• Transforming lives
• Identifying housing requirements
• Sustainable neighbourhoods
• Innovation and international good practice

Soon after each event, we will publish a short Insight Briefing, which will summarise the information that was shared and the discussions that took place on the day, as well as sign-posting new publications, consultations and initiatives relating to the housing sector in Northern Ireland.

Feedback on the first event was generally very positive, and we will use the comments provided by those who attended to help plan future exchanges and ensure that they are worthwhile, constructive, and beneficial for the sector as a whole.

“this will be very useful”

“a really useful event and a great way to make contacts”

Organisations represented included:

• Bank of Ireland
• CIH Northern Ireland
• Clanmil Housing Association
• Co-Ownership
• Council for the Homeless
• Danske Bank
• Department for Social Development
• Fold Housing
• Helm Housing
• Lagan Homes
• Landlords’ Association NI
• Lloyds Banking Group
• NHBC
• NIFHA
• North Harbour Consulting
• Oaklee Trinity Housing
• Planning NI
• PRS Consultation Network
• RICS
• RSM McClure Watters
• Santander
• Smartmove Housing
• Supporting Communities NI
• Tenancy Deposit Scheme
• University of Glasgow
• University of Ulster
The role of the Housing Executive

As part of the organisation’s commitment to deliver top class regeneration and housing solutions that meet the needs of communities and its partners, the Housing Executive aims continually to add value for customers and stakeholders by understanding, anticipating and fulfilling their needs.

In recent years, the Housing Executive has reviewed its structures to distinguish more clearly between its roles in delivering landlord and regional services. Research is a key element of the organisation’s regional function, and informs decision making and service delivery across the Housing Executive. However, the findings from our research are not always as widely publicised as they could be, and so we intend to increase the supply and dissemination of information to our stakeholders and cultivate a more interactive exchange of information.

In addition, we want to expand the area of market intelligence, including through the exchange forum format, to help enhance knowledge of up-to-date local and regional dynamics in the housing world. This more collaborative approach aims to benefit the whole sector, as well as helping to inform the Housing Executive’s own research programme.

Housing Executive Research Programme

Joe Frey, Head of Research at the Housing Executive, explained that the organisation’s Research Unit is responsible for a client-led programme of research which collects data to underpin analysis of:

- Housing market trends and imbalances;
- Housing conditions;
- Housing and housing-related needs;
- Customer views on our services; and
- The impact of new technology.

In recent years, research carried out for or by the Housing Executive has:

- used local housing systems analysis to help delineate 11 housing market areas (HMAs) in Northern Ireland, providing the evidence base for District Housing Plans;
- informed policy development in relation to energy conservation, fuel poverty and affordable warmth: as a result, the rate of fuel poverty in the social sector fell from 51% in 2009 to 40% in 2011;
- helped highlight the cost of poor housing in Northern Ireland, estimating the annual savings to the health service and payback period of reducing hazards in the home;
- fed into a good practice guide for social landlords on solar thermal water heating, following an evaluation of a scheme carried out by the Research Unit for Fold Housing Association; and
- continued to provide regular data on Northern Ireland’s housing market through the Quarterly House Price Index, half-yearly private rental index, and more recently the publication of findings on a new asking price index.

Each year we also publish a comprehensive Housing Market Review, which draws together data and market intelligence on all sectors of the housing market in Northern Ireland, as well as the demographic and socio-economic factors that influence it.

Research Programme 2015/16

Much of the content of the Housing Executive’s research programme is carried forward from year to year in the form of ongoing strategic or customer-related projects. However, following review and consultation with internal and external clients (particularly the Department for Social Development) we carry out or commission a number of new, one-off projects each year. The 2015/16 research programme has not yet been formally approved, but in broad terms we expect that it will cover the following issues:

Private Sector Housing Market Analysis
- House Price Indices
- Rental index
- Affordability measures

Housing Needs Assessment
- House Condition Survey
- Household projections
- Housing need

Policy-related research
- Private rented sector
- Tenancy Deposit Scheme
- Health and housing
- Supporting People
- Assistive technology

Energy-related research
- Fuel poverty
- Affordable warmth
- Home improvement grants

Regeneration
- Neighbourhood renewal surveys
- Building Successful Communities

Shared Communities
- Mapping segregation
- Shared communities surveys

Customer Research
- Continuous Tenant Omnibus Survey
- Social Housing Reform Programme
New research findings: Demographic Trends and their Implications for Housing in Northern Ireland

The main speaker at the first Insight event was Chris Paris, Emeritus Professor of Housing at the University of Ulster. Professor Paris has been working with RSM McClure Watters, John Palmer (North Harbour Consulting) and Peter Williams (Cambridge University) on a project for the Housing Executive concerned with demographic trends and future housing need. The final report on the wider project has not yet been published, so the presentation focused on the demographic trends between 2001 and 2011 (based on the Northern Ireland Census of Population) and considered the implications for housing in Northern Ireland between 2011 and 2021. Professor Paris’s analysis highlighted that during the period from 2001 to 2011:

- Between 2001 and 2011, Northern Ireland’s population increased by 7.5% (125,600).
- People aged 65 and over made up 14.5% of the population in 2011 (264,000), compared with 13.3% in 2001 (224,000) and 12% in 1981 (178,000).
- There were 68,000 people in Northern Ireland aged 80 and over in 2011 (3.7% of the population), up from 54,000 (3.2%) in 2001 and 31,000 (2.1%) in 1981.
- Both the number and proportion of the population made up by under-16s decreased between 2001 and 2011, from 398,000 (23.6%) to 379,000 (20.9%).
- The number of people aged 65 and over is projected to exceed the number of under-16s by around the mid-2020s, despite recent changes in fertility patterns.
- More than a quarter (28%) of all households were one-person households in 2011; the proportion was almost identical in 2001 (27%).

Therefore:
- The falling average household size and growth of single living imply a need for additional numbers of smaller homes, especially in the social sector.
- It is also important to bear in mind, however, that housing shortages and house price inflation can delay household formation.
- Other factors also affect demography/housing equations:
  - household income and wealth affect housing and demographic choices (rent or buy; have children or not etc.); and
  - public policies can affect patterns of dwelling availability and price (e.g. policies relating to the housing needs of older people, welfare reform, education funding, HMO policy etc).

Demographic change and housing are a ‘two-way street’: demographic changes drive housing needs, and changes in the housing system affect demographic change.
The period from 2001-2011 was turbulent, with boom and bust in the housing market: rapid growth in house prices and building to 2007 were followed by falling prices and construction levels since then. Figure 1 shows the changing tenure distribution of households in Northern Ireland between 2001 and 2011.

The increasing population and number of households imply a need for growth in housing supply. However, the rate of decline in average household size may continue, or that trend may even reverse. In addition, there is uncertainty about the scale of change, especially given volatile migration patterns, as well as general uncertainty in the local housing market and a likelihood that new housing construction will be slow to pick up. Looking ahead, Professor Paris suggested that over the 10 years from 2011 to 2021:

- The level of home ownership in Northern Ireland will fall slightly, particularly in terms of the proportion of households who own with a mortgage or loan.
- However, there is likely to be a slight increase in the proportion of households who own their home outright (especially older households).
- House prices will fall further below UK averages and differentials between sub-regions will increase.
- The proportion of households living in social housing will fall, while private renting will continue to grow.

The views of the sector: Interactive Session

The Insight event concluded with a period of questions and discussion, when delegates shared their views on the presentations as well as the current challenges facing Northern Ireland’s housing market and the various sectors within it.

**General points**

- There is a need for a strong articulation of the housing agenda in Northern Ireland, including the positive impacts that investment in housing has on other key outcomes such as educational attainment and health and wellbeing.
- A more united approach at strategic level could help improve the wider understanding of the benefits that can be derived from activities such as regeneration, as well as helping to find creative ways of working and generating a strong dynamic for the sector.
- In some ways, housing has been a victim of its own success. The significant improvements in the physical condition of the stock over the last four decades mean that the case for public investment in housing may seem less obvious than it was in the 1970s. However, it is important that investment to maintain the quality of the housing stock continues – particularly with regard to addressing problems such as dampness.
- In addition, the impacts that can be achieved through a Housing Plus approach provide a strong
argument for ongoing use of funding to ensure that good living environments contribute to wider health, well-being and prosperity as part of a pro-active, rather than a reactive, approach. (Housing Plus promotes the adoption of a society-wide perspective in housing developments, taking account of issues such as employment, anti-crime strategies, access to public services, healthy and sustainable environments and promotion of community participation.)

The Private Rented Sector

- Various pieces of legislation and new initiatives have been put in place in the private rented sector in recent years, including the introduction of the tenancy deposit scheme and landlord registration [all private landlords must register by 25 February 2015]. Many landlords would be interested in working with the Department for Social Development and Housing Executive to help provide integrated solutions, if agreed contracts were put in place.

- Private landlords’ umbrella organisations are aware that significant numbers of landlords are in negative equity on their properties and that this, in combination with the tighter availability of buy-to-let mortgages, could lead to significant difficulties in the sector if/when interest rates rise.

Banks/Lenders

- Gross mortgage lending has decreased from £6.5 billion at the peak of the housing boom to £1.6 billion, but there are signs of slowly increasing levels of movement in the private housing market from a relatively low base. [More information on the latest trends in the mortgage market is available from The Council of Mortgage Lenders.]

- The biggest driver in the housing market in recent years has been changes in mortgage regulation. More broadly, it is important to be mindful of the new norm: Northern Ireland has moved back to a position of low growth, lower wage growth and lower productivity, and governments worldwide have struggled to stimulate demand without recourse to credit. Furthermore, there remains a significant debt overhang at both collective and individual levels which militates against any immediate upturn in prosperity. In planning for the future, it is necessary to assume that there will be another financial crisis.

Social housing

- There can be a tendency to stigmatise social housing and the households who live in it, but the challenges around the residualisation of the sector in Northern Ireland are not on the scale that exists in some other regions. Many of the estates developed by the Housing Executive are now mixed tenure areas, with owner occupiers and private and social renters living side by side. Collectively, social housing providers need to get better at reinforcing the positive messages about social housing.

- Northern Ireland does face an ongoing challenge where residential segregation (by community background) is concerned, particularly in the social sector. Social housing providers, government departments and the voluntary sector are all engaged in initiatives to encourage shared communities, and this needs to continue.

The private market

- Northern Ireland has a very diverse house building industry, with many small-scale construction firms. Planning – and the need for a joined-up, master-planning approach – is a critical issue in the ongoing provision of new homes in the region. In particular, there are concerns that infrastructure such as sewage treatment and electricity is at or nearing capacity in some areas.

- Planning functions are due to be devolved to district councils from April 2015. A Project Board and Project Team have been put in place to ensure the smooth transfer of functions, which will include councils having a new statutory duty of community planning. This will be a significant change for Northern Ireland, and experience in other parts of the UK suggests that meaningful community planning has to be done in a context that takes account of the resources available.

The interactive session raised a number of important issues, and the feedback from many of the delegates who were present at the event was that they would have liked more time to be devoted to the discussion, allowing more debate around the issues that were raised, and more movement
towards working out constructive solutions. We will take these views into account when planning future events.

News from the sector
As part of its political engagement strategy, and in line with the theme of its 2014 conference, the Northern Ireland Federation of Housing Associations (NIFHA) has been showcasing the work of its members to local political representatives. For more information, including a number of videos on YouTube, see Great Homes, Thriving Communities.

In parallel with a consultation by the Department of the Environment, the Department for Social Development ran a consultation on Developer Contributions for Affordable Housing from 3 June to 23 September 2014. The DSD published a summary of the 75 written responses it received in November, and the two Departments also issued a joint press release about the next steps they will take.


The Housing Executive has appointed Bryson Energy to establish a network of oil buying clubs, which will work on behalf of the club members by negotiating the best price for a bulk order and arranging delivery. The scheme is open to all housing tenures, and anyone interested in forming an oil buying club should contact Bryson Energy on 0800 142 2865.

In a unique collaboration, Simon Community Northern Ireland and the Housing Executive have launched a new mobile app that has been designed to play a key role in preventing homelessness, including rough sleeping. It will enable the general public to take action, either by finding out about homelessness services in their locality, making a referral to services or ‘reporting a risk’ if they are worried about someone. The app has five tabs showing the location of services including Simon Community accommodation, Housing Executive offices, hostels, floating support providers, Housing and Gateway teams, Help (emergency provision, food banks etc) and local transport. It can be downloaded to iPhone or Android.

If you would like to attend future Insight events, or have any comments or questions about the Housing Executive’s research programme, you can contact us on 02890 318562 or research.bulletin@nihe.gov.uk.