

Delivering new social and affordable housing in rural areas: A review of barriers and opportunities

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Introduction

Affordable housing is recognised as vital to the sustainability of rural communities. However, rural communities regularly encounter challenges of higher house prices relative to incomes, imbalances between supply and demand, pressures for the use of housing for tourist and recreational purposes, and land use restrictions on new-build development. Similarly, there are competing claims for space in rural communities, meaning that planning authorities often have to mediate between competing interests, ranging from the need to balance new housing supply for local people with environmental protection to provide local and global benefits, and the appropriate management of landscape designations (RTPI, 2022). Delivering new housing supply in rural locations is therefore not straightforward and is subject to many competing interests and pressures at different spatial scales.

It is in this context that the delivery of new social and affordable housing in Northern Ireland has to be considered. The *Northern Ireland Housing Executive* has a statutory duty to pay due regard to the needs of rural communities in the design, development, and delivery of its services, recognised in its 2021 *Reaching Rural* strategy, which commits to enabling the provision of new social and affordable housing in rural locations. However, the provision of new social housing units has in recent years fallen short of stated targets. Table 1 shows the three-year cumulative target and number of housing scheme starts between the years 2020/21 and 2022/23. Only 43% of the target number of starts were achieved, with rural need unmet by 57% (400 units).

Need Category	3yr NIHE Regional Targets / Starts						3yr NI Totals		3yr % Starts Against Target
	Belfast		North		South				
	Target	Starts	Target	Starts	Target	Starts	Target	Starts	
Urban Need	2,051	1,939	1,863	2,715	1,058	1,090	4,972	5,744	115%
Rural Need	39	32	238	163	420	102	697	297	43%
Supported Housing	8	8	23	23	0	0	31	31	100%
Travellers	0	0	0	0	0	0	0	0	0%
Total No	2,098	1,979	2,124	2,901	1,478	1,192	5,700	6,072	106%
% of Target	94%		137%		81%		106%		

Table 1: (2020/21– 2022/23 SHDP) Total 3 Year Cumulative Delivery v Strategic Guidelines Targets (adapted from NIHE, 2023)

The reasons for this have not been widely studied, though inferences are made with respect to land quality, availability and affordability, infrastructure costs, and community support (NIHE, 2021). The purpose of this literature review is to inform a detailed study of the barriers to social and affordable housing delivery in rural Northern Ireland.

The literature review covers the following areas:

- 1) An overview of issues affecting rural communities that in turn influence rural housing planning and opportunities;
- 2) An overview of barriers to rural housing development;
- 3) An overview of Northern Ireland policy with respect to rural housing development.

Understanding rurality

Population and economy

The Northern Ireland Statistics and Research Agency (NISRA) classifies rural locations as comprising settlements with a population fewer than 5,000. It also incorporates considerations of drive-time from communities to town centres comprising populations of at least 10,000, to take account of proximity and access to service provision (NISRA, 2015). This is particularly key given Northern Ireland's dispersed rural settlement pattern, with small clusters of development in countryside areas and strong connections between people and place, which suggests the need for a holistic planning approach that is sensitive to rural specificities (Murray et al, 2009).

DAERA (2022) report that more than a third of Northern Ireland's population lives in a rural location (36%) and that population growth in rural areas has outpaced that in urban areas by a factor of nearly 3:1 between 2001 and 2020. This indicates strong demand for rural housing, perhaps reflected in growth in average house prices, which tend to be higher in rural than in urban locations (Blair, 2022). These statistics may reflect trends of counter-urbanisation, a description of the return to rural household growth as growing numbers of people reject urban living. Counter-urbanisation is observable across a range of countries internationally. Research in the Netherlands highlight that counter-urbanisation motivations and trends differ across popular, average and less-popular rural living locations (Bijker and Haartsen, 2012), leading to greater focus on the diversity of motivations for counter-urban migration, including distinguishing between the availability of dwelling types and notions of 'the rural' (Aner, 2016). As Satsangi, Gallent and Bevan (2010) argue: "Popular conceptions of rurality are not accidental, nor are they natural representations of fact. Rather they are evolving social constructs, based in part on received remembrance of a past, and in equal part on antipathy to the dual opposite of the urban set against idealisations of the rural." Notions of 'the rural' and 'the urban' are created in our imaginations and there is an infinite possibility of intermediate positions along the scale from urban to rural – for instance, rural living does not necessarily equate to rural employment, as people commute to urban areas, and these dynamics also impact on rural economies (for instance, use of local services, retail functions, etc). The point is that there is no singular notion of 'the rural' and that place distinctions are likely to result in diverse motivations for rural migration. This may be particularly evident in Northern Ireland given the dispersed settlement pattern.

Understanding rural housing needs and demand is inextricably linked to an understanding of the rural economy and employment. DAERA's (2022) rural statistics show that rural people of working age are more likely to be in full-time employment than those in urban area, that rural workers report being more highly skilled, and that there are little differences in absolute and relative poverty between urban and rural locations. However, the statistics also reveal a number of intra-rural differences, including higher levels of poverty in households that live in rural areas further away from Belfast than those that live closer to the city (> one hour), more limited access to social housing, and an increase in the number of Universal Credit claimants compared to the number at the start of the Covid-19 pandemic.

As in other UK countries, some rural communities encounter challenges in retaining viable retail and public services. As Blair (2022: 63) notes, these are not necessarily unique to rural settlements, but the closure of key rural services can be particularly damaging given the lack of alternatives and/or potential ‘domino’ effects as footfall to small village and town centres decreases. Similarly, rural development opportunities may be affected by the loss of European funding triggered by Brexit, though McAreavey (2022) has also suggested that this offers an opportunity to establish more community-led approaches and greater partnership working between funding bodies within Northern Ireland and the UK.

Housing statistics

The dominant housing tenure in Northern Ireland is owner occupation, particularly in rural locations where 81% of households live in owner occupied or co-ownership housing, with just 6% living in social housing (DAERA, 2022: 47). Yet, as NIHE’s (2021) *Reaching Rural* strategy shows, there is increasing demand for social and affordable housing, evidenced by rising numbers on social housing waiting lists. Across Northern Ireland, social housing waiting lists have increased by 11% between 2012 and 2022, yet the social housing share of the market has declined from 21.9% in 2001 to 10% in 2019/20. Rural applicants were found to comprise 15% of the total waiting list as of September 2022, yet the proportion of social housing stock (7%) is significantly lower than in urban areas (18%) (all statistics from NIHE, 2022). With respect to owner occupation, rural house prices are estimated to be 17% higher than in urban areas, with prices particularly high in rural locations within an hour’s drive of Belfast, again indicating intra-rural differences (DAERA, 2022).

The condition of existing housing stock is also a problem. The 2016 NI Housing Condition survey revealed the 68% of all unfit dwellings were in rural locations, up from 59% in the previous survey in 2011, while the proportion of unfit dwellings in urban areas had decreased. Similarly, much higher rates of fuel poverty were found in rural areas, particularly among households living in small village, hamlets, or open country areas. The survey is normally conducted every five years but its 2021 iteration was postponed due to the pandemic. An updated survey is underway with data collection beginning in 2023. While this study is primarily concerned with new supply to meet growing rural housing need, the condition of existing stock is an important contextual factor, for this may in the future lead to increased demand for new homes if existing properties are not deemed suitable or preferable, while renovation and upgrading of existing stock may also place budgetary pressures on rural housing providers.

As noted in the introduction, there is an insufficient supply of rural housing in Northern Ireland, with new starts falling short of stated targets. The Department for Communities is developing a new housing supply strategy (complementary to NIHE’s *Reaching Rural* strategy) and is, at the time of writing, developing a new Intermediate Rent tenure, a new form of affordable housing for rent let at discounts of at least 20% on prevailing private market rents (mirroring the Affordable Rent product that has operated in England).

Planning for rural housing

Planning in Northern Ireland is in a period of transition. While central government sets strategic policy, changes to the planning system and reform of local government has introduced a new Local Development Plan process. Each council must prepare a development plan for their area, including ensuring there is sufficient land available for housing development (and other purposes), and taking account of the Regional Development Strategy 2035 and existing planning policy and guidance. Plan development is at varied stages in each of the 11 Council areas, with some Plans already adopted, others at examination stage, and others yet to be published in draft form.

In a rural context, plans must also take account of rural needs. This is required by the Rural Needs Act (NI) 2016, which asks authorities to “have due regard to rural needs when developing, adopting, implementing or revising a policy, strategy or plan and when designing or delivering a public service.” It is recommended that all public authorities conduct Rural Needs Impact Assessments to guide policy and help ensure that the due regard duty is fulfilled.

A short assessment of some of the emerging policies outlined in Local Development Plans is provided at the end of this report. The following section turns to consider barriers to the development of rural housing, drawing on evidence from the UK and internationally as well as within Northern Ireland.

Barriers to the development of rural housing

There has been substantial research into the barriers to the development of affordable rural housing in the UK, with studies regularly highlighting barriers that include: restrictive planning policies that encourage urban growth over rural development; tensions between competing interests in the use of rural land (protection vs. development); higher costs associated with land acquisition and infrastructure provision; and community opposition. Similarly, studies have highlighted attempts to tackle these barriers, including: the use of planning policies that permit development that would not usually be consented (rural exception sites); imposition of planning obligations; enhanced community involvement; and restrictions on the use and letting of new-build properties.

When considering whether to develop housing, there are a number of considerations and factors that affect the desires and willingness of developers. Dunning et al (2021) have categorised these as: land ownership, finance and funding, legal and planning arrangements, land quality, and housing markets. We consider these in turn below, though stress that these are considered as interrelated considerations in development process, rather than independent or sequential. Nevertheless, this framework helps us to categorise the considerations that form part of an appraisal of whether to undertake housing development.

Land ownership

Acquisition of land is often the first obstacle to housing delivery. The price of land is a major component in making it available for housing development, yet the price is influenced by its economic potential, which is in turn regulated by Government through planning policy, taxation and restrictions on land use or ownership. This gives the state the ability to intervene in the market, yet across much of the UK, rising house prices (relative to incomes) have led to higher land value expectations from land owners. In 2022 agricultural land prices were at record highs across Northern Ireland, not just from farmers or house price pressure, but also investors looking for returns on longer term investments (McCann, 2023).

Major landowners (e.g., aristocracy, the church, farmers) continue to play the significant role in rural affairs that they have played for hundreds of years in the UK. The structure of land ownership in Northern Ireland may differ from the rest of the UK, through the impact of various Land Acts around the turn of the nineteenth century, which divided up landed estates and gave tenants the right to purchase small farms (Hunter, 1987). New landowners emerged through the twentieth century, with significant growth in ownership by the state (for example the Ministry of Defence) and by conservation charities (primarily associations promoting historic and environmental protection) (Burckhardt, Doak and Parker, 2020). New entrants, such as pension funds and companies seeking to offset carbon emissions, have also changed the structure of ownership. Not all of this land is in high housing demand areas, and the above

points apply to the UK more generally rather than Northern Ireland per se, but the point is that the structure of land ownership will influence land availability.

A report by the Northern Ireland Federation of Housing Associations (NIFHA) found that a major challenge to housing associations was the limited amount of land coming to the market (NIFHA, 2020). This is perhaps unsurprising as land has distinctive characteristics (e.g. scarcity, immobility) that means it's market doesn't operate efficiently (Macfarlane, 2017) and can lead to difficulty in 'reading the market' (Dunning, 2017). It is not currently clear how much of the land Housing Associations have used for development has been transferred from the public sector, and how much was bought from private landowners, but the NIFHA report concludes that 'land availability will worsen if Councils decide to restrict land supply in their upcoming revised area plans' (NIFHA, 2020:10-11) and refers to 'expensive land costs'. It has also been observed that strong attachments to land in Northern Ireland constrain the amount that comes onto the open market, with strong perceptions that family members should be able to utilise and live on family land (NIEL, 2015; Blair, 2022).

Councils in Northern Ireland are required by the Strategic Planning Policy Statement to maintain, as a minimum, a five-year supply of land for housing. This is monitored through Housing Land Availability Reports, which inform the allocation of housing at a local level. Within this, the reports consider the progress of housing sites that have been designated for development, as well as 'windfall' sites that have become unexpectedly unavailable. These reports include land that may not ultimately be developed due to development constraints, landowner reluctance to release land, or access arrangements.

Land ownership has been a contested issue in other parts of the UK, with private ownership of land thought to be restrictive to the sustainability and development of rural communities. In Scotland, land reform legislation introduced in 2003 enabled a Community Right to Buy, creating provisions and processes by which communities could buy-out private landownership. While this legislation was very much rooted in the history and legacy of feudal land ownership in Scotland, the increased opportunity gave some communities the opportunity to take ownership of land and develop housing projects (Satsangi, 2009). An Impact Evaluation, however, found that barriers to its uptake included: sustaining longer term interest by communities; limited existing community groups; lack of specialist knowledge; and access to finance (Mulholland et al., 2015). While emerging in a different context and for different reasons, there has also been a growth in forms of community-led housing in England, where communities acquire and own land for the purpose of affordable housing provision. This approach has been particularly popular in rural communities, where small-scale developments have helped to provide housing for people with local connections and housing needs. This has led to transfers of land from private landowners to community organisations, with landowners reassured that land will be used to benefit local connections rather than for private market development (Moore, 2021). Community-led housing approaches are currently under discussion in Northern Ireland – in the summer of 2023, Queens' University ran a workshop exploring the potential for community-led housing in urban and rural contexts. In 2023, independent research was completed for the Housing Executive that examined how community-led housing could complement existing housing provision in Northern Ireland.

Finance and Funding

There are a limited number of ways in which rural housing can be provided at an affordable price. These typically relate to the equity and financing of a project (e.g. capital grants, investment, management of ongoing costs), construction costs (building design, in-kind contributions), and land and density (e.g. location, density of development, asset re-use, extraction of value). While policies in different countries may differ, efforts to provide sub-market housing will usually intervene in one of these areas.

Given many rural housing providers need to purchase land, access to finance is a major component to making land available. Once land is acquired, development costs continue, including those related to land improvements, access to infrastructure, housing construction, and development management. These development finances can vary in a rural context from an urban. Alternative uses (from which land prices are often derived) are often much lower in greenfield rural areas (contrasting, for instance, agricultural uses with office land values), but may also come with higher infrastructure costs (e.g. the lower density of roads, cost of connecting with or provide utilities and other infrastructure), which can increase the costs of making a site developable. Rising construction costs are cited as a barrier, particularly in the current economic context (Gallent et al, 2022: 137), though off-site manufacture may be one innovative method to reduce costs.

Given the required elements for affordable housing delivery, affordable housing is likely only to be provided through a limited array of fundamental approaches. Subsidy is usually required in some form, whether that be directly from the state to enable housing to be provided at a lower cost or cross-subsidy in a private market scheme. As Gibb (2018: 9) states: “somewhere there will be an opportunity cost and therefore a required subsidy of some form (grant, revenue, personal subsidy, land, guarantees, in-kind support, etc) required to deliver below market cost provision either in terms of production delivery or at the point of consumption (or both).” In England land value capture, in the form of s106 planning obligations, has been the largest contributor to new affordable housing supply nationally. Where a private developer seeks planning permission, a negotiated agreement may be constructed with the local planning authority to provide a proportion of affordable homes as part of the development, to make it compliant with local planning policy. This is, in effect, a subsidy from the sale of market homes to finance affordable housing delivery. It has worked well in some markets, but there is a path dependency, which means it has been less effective in markets with limited private activity (Lord, Cheang & Dunning, 2020). Developer contributions are an emerging area of interest in the context of Northern Ireland housing provision. Section 76 of the Planning Act (NI) Act 2011 has been used to secure developer contributions with respect to infrastructure (e.g. roads) but has rarely been used to secure affordable housing contributions (Co-Ownership, 2019). However, recent changes mean that housebuilders and developers will have to provide affordable and social housing once their proposal meet or exceed certain thresholds. These requirements are to be detailed in the emerging Local Development Plans that are in draft and adopted form across the country.

Social housing in Northern Ireland is facilitated through the Social Housing Development Programme (SHDP). Managed by the NIHE and their Development Programme Group,

schemes are funded by a mixture of grants and private finance accessed from housing associations' reserves and/or private sector loans. Schemes funded by a mixture of private finance and public grant are referred to as 'mixed funded'. The amount of private finance is simply the balance to be met to cover the costs of the scheme over and above the amount of approved grant.

Aside from affordable housing subsidies that are contingent upon conventional grant subsidies or private-led development (i.e. land value capture), Gibb (2018) identifies three recurring ways to finance affordable housing. First, in England changes in legislation (2003 and 2011) enabled local authorities to set up housing companies. This allowed them to use general funds and borrowing to create the finance to companies that would build local housing again (often through a mix of market and affordable housing) (see Morphet and Clifford, 2020 for further details). Second, social Real Estate Investment Trusts (REITs) have been widely discussed for their ability to provide longer term finance (and repayment) for housing, giving the capacity of developments to be profitable over the longer term rather than requiring sale at the earliest moment and therefore the potential for affordable rent. However, REITs to date have tended towards market rent rather than affordable rent. Third, state-backed housing banks could provide long term finance with low interest rate requirements, thereby enabling housing associations, council-owned housing companies or private actors to develop affordable housing at lower costs (Gibb, 2018).

Legal and Planning

The state possesses power in the planning of rural housing, in the sense that it has the right to permit or deny permission for land to be used for affordable housing (and/or other purposes) through the planning process. It can therefore shape local housing markets through approval or denial of applications. However, this responsive power clearly does not make it easy to directly intervene in housing delivery, in part because of the 'two-hats' problem, where the immediate planning goals and financial goals of local state institutions can come into conflict (Woestenburg et al, 2019), and in part because other obstacles to development may remain, including the number and nature of developments that are brought forward, finance and funding, and land issues.

In a discretionary planning system, determining an application takes time. The length of time for a decision is often seen as a barrier to encouraging development, both in decreasing land coming forwards while decisions are pending and in tying up the resources of rural housing providers. The limited studies that exist on rural housing in Northern Ireland have highlighted the speed of the planning system as a potential barrier, something supported by NIFHA (2020) whose research has highlighted a range of problems experienced by housing associations, including delays in approving major developments and barriers associated with design, site surveys, and infrastructure provisions. The recent expansion of non-discretionary planning determinations (e.g. permitted development rights, where conversion of buildings to residential can take place in certain circumstances without the need to apply for permission) in England was partially a response to the criticism that planning takes too long, but it is important to note that there is evidence of poor societal outcomes from this approach (e.g. Clifford et al., 2020).

Many rural areas are characterised by a more restrictive approach to new housing delivery than urban areas, grounded by desires to direct urban growth and attitudes of environmental protectionism. This is reflected in a Northern Ireland context – Blair (2022: 67) comments that recent planning advice notes have been perceived as placing “increased restrictions on securing planning approval for countryside development”, particularly with regards to single rural dwelling applications. More generally, a recent overview of rural planning in the UK identified rural areas as potential sites of adaptation in response to broader societal and environmental challenges, while acknowledging that there may be land use conflicts between different uses, including the need to protect and support agricultural use, the need to provide more sustainable forms of transport and enhance rural connectivity, energy generation (e.g. solar farms, wind turbines), and tensions between housing for permanent residents and that which supports tourist economies (RTPI, 2022).

However, there are examples of policies that seek to directly support affordable rural housing delivery, for example Rural Exception Sites (RES). RES operate in different countries to support majority affordable housing delivery for people with a local connection where they would not ordinarily receive planning permission. They are, in effect, a way of the planning system allowing a bypass to the usual planning restrictions for a development type that is in great need. RES have the dual effect of adding certainty to the provision of small-scale affordable developments and potentially restricting the land price from being inflated to reflect the hope of developments that are majority market housing sales, i.e. if the development value is lower then the land value will be lower, therefore supporting affordable development to compete. In Wales, whilst RES have had local impacts, they have not overall delivered significant numbers of dwellings (Webb et al., 2019). This may be due to the limited incentive for landowners to bring land forward (Satsangi and Dunmore, 2003), limited engagement by local communities, or restrictive practices by the local planning authority (Taylor, 2008).

The restrictive approach to RES by some local planning authorities is mirrored by planning at different scales for rural areas. There can be pressure on parish councils, local councils and even county councils to shape planning policy on the delivery of amenities for existing residents rather than deliver housing for future residents. This may be exacerbated in areas where affordable housing is needed but perceived to change the social composition of the place if undertaken. Opposition to affordable housing delivery may not, however, be intractable. Working with communities to understand their objections, and identifying where these relate to planning concerns that may legitimately be ameliorated (for example road design), has been shown in some instances to remove opposition. There are a range of ways that this can occur (see Appendix 1), including enhanced processes of community consultation, prioritisation of specific housing needs in rural developments, and assurance of broader community benefits. One approach used in England and Wales has been to establish a network of rural housing enablers that can overcome resistance to building in small communities, working as an independent broker between residents, councils, and builders to progress housing schemes. In 2010, the Independent Commission on the Future for Housing in Northern Ireland recommended that a network be established. The role performed by NIHE Place Shapers, while not totally equivalent in terms of independence, may provide similar benefits in their work with housing associations, though appears under-recognised in the literature.

At the turn of the 20th century planning policy in Northern Ireland was favourable towards countryside developments, particularly those on family-owned farms purportedly for family members. This positive attitude led to a much higher number of dwellings being created (higher than England, Wales and Scotland combined), but favoured households whose families already owned land, reflecting perceptions that family land should be used to house families (NIEL, 2015), leading to a structural bias in who can ‘stay’ in rural areas (Stockdale and Ferguson, 2020). This favourable status has shifted towards a more ‘sustainable’ approach to rural development, with stricter development requirements (and a commensurate decrease in applications). This highlights the role of planning in not just directing whether or not new housing takes place, but in impacting the types of household who can live in rural areas.

Development qualities of land

A barrier to development of high-quality affordable housing is the qualities of the land that is available. These qualities cover factors such as the proximity to infrastructure, the stability of the land and the perceived place amenities (e.g. beauty, natural resources). The scale of development is a major determinant of whether these qualities produce viable affordable housing, with larger scale developments more likely to be able to support new infrastructures or pay for remedial works, yet scale can be a major social barrier for new rural developments, given schemes in rural settings may ordinarily be smaller and less likely to achieve economies of scale.

The NIHE *Reaching Rural* (2021, 33) strategy notes “the increased difficulty in accessing land which is suitable and available for housing development” as a significant barrier for the delivery of rural housing, though does not fully elucidate specific difficulties. NIHE also undertakes a rolling programme of Site Identification Studies to support housing associations in identifying available and suitable land for development, while acknowledging that there is often limited land remaining within development limits. Yet, while not unique to rural areas, other studies have highlighted that marginal sites – those that are less attractive to developers – are likely to become increasingly important to meeting unmet housing need, and identify innovative actions taken by local authorities, such as the creation of development companies to utilise land that may be unattractive to others (Dunning et al, 2021).

Housing markets

Defining how rural housing markets operate can be more complex than in urban areas. There may be fewer property transactions, fewer households on existing waiting lists, increased prevalence and under-reporting of second and holiday home ownership, more variable demographic and migration trends, and different spatial scales of analysis, including different types of rural settlement. Rural areas are widely divergent in the types of household that are in/out migrating, creating distinctive patterns of demand for housing types (size, but also other characteristics such as presence and size of garden). For example, contrast a settlement with demand from local residents to start a family in the local area to retired urban households looking for a holiday home. Thus, it can be very difficult to identify the level of market and affordable housing desired in a small settlement (Flint et al., 2009). In a Northern Ireland context, it has been noted that there is higher demand for housing in rural locations

that are commutable from urban areas, with lower demand in more rural areas (Three Dragons and Heriot-Watt University, 2015). This is likely reflected in house prices, with average house prices not only substantially higher in rural than urban areas, but particularly so in areas within an hour's drive of Belfast (DAERA, 2022).

There are other difficulties in understanding housing markets. In a Northern Ireland context, Blair (2022: 68) notes that "there is the issue of 'hidden need' in terms of social and affordable housing, arising from a perception among those on housing waiting lists that there is no available rural stock which then results in applicants seeking accommodation in urban areas instead." The NIHE itself has noted this issue, highlighting limited awareness of social and affordable housing options as a problem in their *Reaching Rural* strategy and committing to an annual programme of latent demand tests, which involve focus consultations with individual communities to invite people to present their housing circumstances (NIHE, 2021: 31). Market dynamics also evolve according to broader socio-economic trends, including changes in the cost of living, incomes, employment, and the relative affordability and accessibility of other housing tenures. Such market dynamics are evident in rural Northern Ireland – for instance, areas such as Fermanagh & Omagh have experienced a rapid increase in households experience housing stress (defined by a points-based system), and such changes can vary according to household type. NIHE analysis suggests high increases in the housing needs of small adult household groups and singles (NIHE, 2021: 29).

Rural housing needs can be understood with reference to statistics, but there are also other important considerations for households seeking housing and providers and authorities responding to these needs. There are fundamental differences between urban and rural housing searches along a scale of opportunities, from diversity of housing type through to connections with employment, transport, social, and attachments to place within dispersed settlements. To put it differently, there is a difference in the density of opportunity between urban and rural areas. A rural household seeking an affordable home may have to cover a larger search area than their urban counterpart, because of the lower density of dwellings. Attendant, more diffuse employment centres and more sparsely sited transport nodes in rural areas may simultaneously complicate the matching of households with homes. This points to the need for consideration of intra-rural differences and to avoid the imposition of blanket solutions. Similarly, Sherry and Shortall (2019: 342) have argued that such rural differences need to be considered within policy making, arguing that policy can assume a rural/urban binary that often equates 'rural' with need and disadvantage. To be clear, this is not arguing that rural disadvantage does not occur and that rural housing needs are not particularly acute, but rather to adopt a place-based and contextual approach to understanding rural needs and developing rural policy.

Planning policy in Northern Ireland

As noted earlier, planning in Northern Ireland is in a transitional stage. Each local Council has been tasked with preparing a Local Development Plan for their area as part of recent local government reforms. Such plans need to take account of existing planning policy. There are a number of laws and policies that are of particular relevance to planning for rural housing. These include:

- The Planning Act (Northern Ireland) 2011, which provides the overall legislative framework.
- The Regional Development Strategy 2035, which provides the strategic context for where development should take place.
- The Strategic Planning Policy Statement for Northern Ireland, published in 2015, setting out the Department for Infrastructure's policy on planning matters, which must be taken into account in local plan preparation.
- Planning Policy Statements, including PPS12 'Housing in Settlements' and PPS21 'Sustainable Development in the Countryside'

Planning policy statements are clear that the local development process should be the primary vehicle through which housing is planned for, including zoning land and indicating where proportions of site may be required for social and affordable housing. PPS12 (Paragraph 53) states that:

"The reservation of land for social housing will be achieved either through the zoning of land or the outlining of key site requirements through the development plan process. This will not preclude other sites coming forward through the development control process. The zoning of land for social housing will help facilitate the supply of affordable housing."

PPS21 'Sustainable Development in the Countryside' provides further detail on this in a rural context, specifically through its CTY5 policy on social and affordable housing, which states the following details:

- "Planning permission may be granted for a group of no more than 14 dwellings adjacent to or near a small settlement or within a designated Dispersed Rural Community to provide social and affordable housing to meet the needs of the rural community.
- Planning permission will only be granted where the application is made by a registered Housing Association

- Planning permission will only be granted where a demonstrable need has been identified by the Northern Ireland Housing Executive which cannot readily be met within an existing settlement in the locality.
- In assessing the acceptability of sites outside a small settlement, the following sequential test in terms of location will be applied:
 - (a) land adjacent to the existing settlement limit, subject to amenity and environmental considerations;
 - (b) a site close to the settlement limits which currently contains buildings or where the site is already in a degraded or derelict state and there is an opportunity to improve the environment;
 - (c) an undeveloped site in close proximity to the settlement where the development could be visually integrated into the landscape.
- Where the need relates to a Dispersed Rural Community the housing group should be located adjacent or close to a traditional focal point such as a church, hall, school or community centre.
- All proposals will need to be sited and designed to integrate sympathetically with their surroundings and meet other planning criteria and policy requirements.
- Generally only one group will be permitted in close proximity to any particular rural settlement or within any particular Dispersed Rural Community“

The wording of this policy hints at some of the tensions that exist in planning for rural housing between protecting the countryside and constraining the encroachment of development into landscapes, and supporting rural community development. There is support for maintaining the dispersed settlement character of some parts of the countryside and a desire to limit their expansion. There is resistance to groups of dwellings in the countryside.

Within PPS21, affordable housing is defined as social rented housing or intermediate housing. The Statement includes reference to shared ownership housing and states that the definition of intermediate housing may be reviewed to incorporate other forms of housing tenure – this may presumably include the Intermediate Rent model, though this it is not immediately clear from the analysis. At present, housing need is supported by the NIHE through Housing Need Assessments (HNA), which assist in the preparation of development plans. These are intended to inform housing tenure mixes and types to cater for identified needs. In addition, NIHE undertakes their latent demand tests through community meetings to develop further understanding of rural housing need.

The main affordable housing mechanisms are through forms of co-ownership (low cost owner occupation), social renting (Housing Executive or Housing Association), or through social housing sales to allow people to transition from social housing to owner occupation. The current version of PPS12 states that it is not appropriate to impose arbitrary levels of affordable housing to be delivered by the private market, though revisions to Section 76 in 2023 may lead to changes in this.

Housing is also planned for through the Social Housing Development Programme (SHDP). The NIHE’s Development Programme Group provides funding to housing associations for social

housing development, responding to opportunities outlined in local development plans and also drawing upon their own private sources of funding. The SHDP is a three-year rolling programme involving annual monitoring of the progress of schemes. Each year, housing associations are invited to submit a list of new schemes for consideration and must register sites with the NIHE after site identification. Proposals for specific sites must address housing needs identified through needs assessments and/or in response to particular opportunities identified in the NIHE Commissioning Prospectus (e.g. areas where there are shortages of development sites and unmet need).

The emerging suite of Local Development Plans are also relevant, as they set out the scale and zoning of future development and outline land availability. Some sites may be zoned specifically for social housing in accordance with housing need assessments. As one would expect in a plan-led system, Local Development Plans set the policy framework against which individual planning applications should be determined. Plans provide the local detail as to how some of the guidance outlined in planning policy is enacted within local council areas and when determining planning applications. As part of plan development, Councils develop a Plan Strategy, providing a vision, objectives and set of strategic policies, as well as a Local Policies Plan that includes more local and detailed policies and proposals, such as settlement limits and zones.

An initial web search suggests that three of the eleven Councils have not yet published draft or adopted plans (Ards and North Down Borough Council; Armagh City, Banbridge and Craigavon Borough Council; Newry, Mourne and Down District Council), while the remainder have published draft plan strategies or adopted plans (i.e. they have been examined and approved for use).

Affordable housing policies are usually detailed in two separate policies within plans: 'Affordable Housing in Settlements' and 'Affordable Housing in the Countryside'. Perhaps unsurprisingly, there is some similarity in how Councils articulate their ambitions, following the guidance given in national Planning Policy Statements. For instance, the sequential test applied to assess the acceptability of sites outside a small settlement is uniform. There is also a common commitment to utilizing land zoned/designated in the development plan, as well as tenure blindness when providing affordable housing (dispersing units within market housing on mixed tenure schemes) and common definitions of affordable housing to include intermediate tenures. However, while there is much that is similar in terms of policy, there are some interesting points of interest emerging from the Plans.

First is the obligation to provide affordable housing as part of developments. For instance, in Derry City and Strabane District Council, developments of 10 units or more in rural villages and small settlements are required to provide at least 2 affordable units. Sites below this threshold may also need to provide affordable housing subject to levels of identified need. Developers are required to provide robust evidence should they believe that need in the local area has been met or decreased. Off-site provision of these contributions are only considered acceptable in exceptional circumstances, and the Council requires applicants to have secured planning permission for the required amount of off-site affordable housing before any occupation of the market housing development on site. This appears one of the more robust approaches to ensuring affordable housing provision. Similar obligations are imposed

elsewhere; in Mid and East Antrim proposals for housing developments of 10 dwellings or more are permitted to provide 10% affordable housing, as is also the case in Fermanagh and Omagh.

As detailed above, PPS21 restricts developments adjacent to or near a small settlement to no more than 14 dwellings. This policy is commonly translated in local plans, though there is some variation, likely reflecting particular sensitive to particular rural contexts. In Mid and East Antrim, the restriction to 14 dwellings applies adjacent to a village, while an additional restriction of no more than 8 dwellings applies to land adjacent to small settlements. In Fermanagh and Omagh, development proposals are restricted to a group of no more than 8 dwellings adjacent to or near villages and small settlements. This plan also refers to Rural Community Areas, defined as areas in the countryside with strong community identities and with existing social, community and recreational amenities and facilities, to which any proposed developments should be located near. Where necessary, planning conditions may be used to ensure housing is retained as social rent or shared ownership tenures. In Mid Ulster, a draft policy related to social and affordable housing in the countryside suggests that groups of dwellings will conform with the plan where meet identified needs, stating that “the appropriate number of social/affordable dwellings permissible will depend upon the identified need and the requirement to ensure the development is sited and designed to integrate sympathetically with its surroundings.” (Mid Ulster District Council, 2019: 88).

In summary, while there is some commonality between local development plans, there appears to be some difference in the nuance with respect to the levels of developer contributions that are required and the restrictions on the size of dwellings.

Conclusion

This literature review has sought to provide an overview of social, economic and environmental issues that affect rural areas in Northern Ireland, as well as common obstacles to the development of rural social housing. Many of these obstacles are commonly experienced in rural locations, including in other parts of the UK and Ireland. However, there will undoubtedly be locally specific variations with respect to land supply, land values, developer desire to provide affordable housing in different locations, and community support. All of these will shape and influence the nature of local opportunities for provision. The next phase of this study involves primary data collection, through which we aim to provide a contemporary understanding of obstacles to rural housing delivery and potential solutions – particularly in the context of a transitional period for planning in Northern Ireland – as well as to understand local variations. From this, a set of conclusions will be developed. Appendix 1 provides examples of rural housing delivery from elsewhere in the UK, hinting at the types of policy and market interventions that might support an increase in rural housing supply.

Appendix 1: Examples of rural housing delivery from across the UK

Case	Focus	Source	Notes
St Ives Cornwall (2022)	Occupancy restrictions	Village Housing, UCL Press	A study looking at the use of occupancy restrictions to limit occupancy of new market housing to full time residents
South Tawton, Dartmoor (2022)	RES (Rural Exception Site) housing	Village Housing, UCL Press	Use of RES in an English national park
Taddington, Peak District National Park (2023)	RES housing (in the absence of allocated sites)	Rural Housing Network	Use of RES in an English national park, focused on a planning authority where there are no allocated sites
Kinlet, Shropshire (2022)	Off-site manufacture of rural housing	Village Housing, UCL Press	Off-site manufacture of affordable housing on a RES
Chapel Stile, South Lakeland (2022)	CLT taking control of private home	Village Housing, UCL Press	CLT taking short lease on private home, offered for local need
Youlgrave, Derbyshire (2022)	RP / CLT partnership	Village Housing, UCL Press	CLT progressing land acquisition, with development (and unit management) taken forward by a housing association (RP)
Lavenham, Babergh District (2022)	English Neighbourhood Planning used to support rural housing	Village Housing, UCL Press	Examination of the community support that can be built through community-level planning. The development was also on an old Highways Depot (owned by the County Council)

Bradwell, Derbyshire (2022)	CLT as a delivery vehicle	Village Housing, UCL Press	CLT used as a delivery vehicle in support of larger RES site (ex-industrial)
Colonsay, Scotland (2022)	The context of community land purchase	Village Housing, UCL Press	Use of Community Right to Buy in Scotland after Land Reform
Graven Hill, South Oxfordshire (2022)	Individual plot self-build	Village Housing, UCL Press	Use of planning passports to support individual self-build
Forgebank, Halton, Lancashire (2022)	The co-housing model	Village Housing, UCL Press	Community co-housing scheme based on CLT model
Tir-y-Gafal, Wales (2022)	Precursor of one-planet development	Village Housing, UCL Press	Low impact development in Wales, pioneering the one-planet approach
Park Lanneves, Bodmin, Cornwall (2022)	Council-led development	Village Housing, UCL Press	Council-led housing by arms-length development company
YNYER Partnership, Yorkshire (2023)	Local authorities and housing associations supporting rural enabling function	Rural Housing Network	Support for RHE in England using re-charge mechanism (financial support drawn from RPs that benefit, based on units delivered)
Cornwall (2023)	RES projects utilizing cross-subsidy and drawing resources (£106) across several sites	Rural Housing Network	Accounting for Cornwall's success in delivering RES, based on cross-subsidy and a strategic approach
Shropshire (2023)	Individual plot RES	Rural Housing Network	Use of RES mechanism to support individual builds
English Rural Housing Association	RES schemes	ERHA and UCL ('Land and Landowners' project)	Large selection of RES projects showcased by English Rural HA

Barriers to rural housing supply – literature review

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