



| | |
|---------------------------|----------------------------|
| Subject: | City Centre Living |
| Date: | 8 th March 2017 |
| Reporting Officer: | Nuala Gallagher |
| Contact Officer: | Alice McGlone |

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

| | |
|------------|---|
| 1.0 | Purpose of Report or Summary of main Issues |
| 1.1 | The purpose of this report is to update Committee on work underway to identify the key issues around liveability and increasing the residential population in the city centre. |
| 2.0 | Recommendations |
| 2.1 | The Committee is asked to: Note the contents of the report. |
| 3.0 | Main report |
| 3.1 | Background The City Centre Regeneration & Investment Strategy (BCCRIS) recognises that a residential population is an important element for a successful and vibrant city centre. Belfast's city centre residential market is currently under-developed. CCRIS identifies the need for 400 additional units each year (6,000 by 2030), but feedback from agents suggests that only a small fraction of this target is coming forward. Additionally the Belfast Agenda outlines the need to grow the population by 70,000 by 2035. A portion of this growth will be accommodated within the city centre. |

| | |
|-----|---|
| 3.2 | <p>It is important to recognise that there are also established residential communities within the city centre estimated, at 2014, to have a population in the region of 9,000-10,000. In addition to areas of social and affordable housing, there a number of apartments in private ownership and private rented tenures at locations such as Adelaide Street, Castle Street/King Street and Victoria Square. The City Centre boundary is defined in Appendix 1.</p> |
| 3.3 | <p>In recent years student housing has also contributed a growing component to the mix of residential accommodation in the city centre. The relocation of Ulster University has been a major catalyst and to date, approximately 5,000 units have been consented. The student population will add a much welcomed vibrancy to the city centre which has to be balanced with other housing tenures to ensure an inclusive and balanced city.</p> |
| 3.4 | <p>Members have also raised issue of housing in the city centre and the following motion was supported at Council on 1st September 2016:</p> <p><i>“This Council notes that there is high social housing need in Belfast, with over 10,000 households on the waiting list and 6,000 households¹ in housing stress, and that the Northern Ireland Housing Executive (NIHE) is developing a city centre waiting list for site specific developments.</i></p> <p><i>The Council believes that, together with the NIHE and other partners, there exists a unique opportunity in the city centre, to create social, affordable and private housing schemes and mixed income communities to increase the residential population and build shared, balanced and sustainable communities.</i></p> <p><i>The Council agrees, as part of the Local Development Plan process and City Centre Regeneration Scheme, to develop with the NIHE and other key partners a City Centre Liveability Plan, which will set out plans to grow the City centre population through an expansion of the housing offer. This plan will include the development of social, affordable and private housing and seek to encourage more families living in the City centre. The plan will also look at the quality of the places and buildings, the need for private and communal open spaces/parks and access to schools essential for family living in the City centre.”</i></p> <p>Some of the issues around defining liveability are discussed in Appendix 2.</p> |

¹ The actual figure quoted by NIHE is in fact now higher than this at 7,134.

Work Underway or Undertaken to date

- 3.5 A Population and Housing Growth Study was completed in October 2016 to help inform the preparation of the Local Development Plan (LDP). Once adopted, this LDP will replace the existing development plan which comprises:
- Belfast Metropolitan Area Plan (BMAP) 2015 (adopted September 2014); and
 - Houses in Multiple Occupation (HMOs) Subject Plan (adopted December 2008).

- 3.6 This research makes comparisons between Belfast's population and other similar sized cities in England and the role of city centre in meeting increasing housing need. At a whole population level, it represents a robust and more up-to-date assessment of housing needs than that included in CCRIS. However, to inform the production of the Plan Strategy, this research will be supplemented with a more detailed breakdown of housing need.

Department of Communities

- 3.7 The Department for Communities is currently engaged in the second stage of a Review of the Role and Regulation of the Private Rented Sector. The Council's response is scheduled to be reported to the People and Communities Committee on 7th March 2017. The Review sets out proposals on:
- Supply
 - Affordability
 - Security of Tenure
 - Tenancy Management
 - Property Standards
 - Dispute Resolution

- 3.8 It promotes the following proposals in respect of housing supply:
- **Supply Proposal 1:** Commission work to gauge the appetite of institutional investors with existing portfolios of private rented sector properties in Great Britain to invest in Northern Ireland and the conditions needed to support such investment;
 - **Supply Proposal 2:** Explore opportunities to use money available for shared housing through the Fresh Start agreement to incentivise the development of more mixed-tenure housing areas, including private rented accommodation, underpinned by a shared ethos;
 - **Supply Proposal 3:** Scope the opportunities with housing associations for greater involvement in the private rented sector.

Northern Ireland Housing Executive (NIHE)

3.9 NIHE have stated that there is a high social housing need for Belfast which has grown over recent years. In December 2016, 10,818 households were on the waiting list, of that approximately 7,134 were considered to be in housing stress. They note that Housing Associations are finding it increasingly difficult to acquire land for social housing development. The Housing Executive strongly advocates that additional land should be made available to Housing Associations to develop much needed social housing. If land is excluded to social housing providers, this will seriously affect the ability to meet housing need for all citizens of Belfast, a fundamental human right.

3.10 The Housing Executive believes that the City Centre can provide an opportunity to support mixed tenure developments, which will help ensure that the aim of the City Centre as a shared space can be achieved. NIHE would like to see affordable housing included within the city centre: affordable housing includes social rented homes and well as co-ownership housing and NIHE's Shared Future Housing Programme (Appendix 3).

Co-Ownership Housing

3.11 Co-Ownership is a Do It Yourself Shared Ownership scheme (DIYSO) exclusively for Northern Ireland. For people who want to own their own home but can't quite afford it, Co-Ownership may help. Co-Ownership is more affordable than a mortgage or private rent and a deposit is often not required. Purchasers take as large a share as they can afford to start with, between 50% and 90% (known as the 'starter share') and pay rent on the remaining share. They can then increase that share at any time ('staircasing'). More details of the Co-Ownership Scheme are set out in Appendix 3.

Proposals by the Private Rented Sector

3.12 There has been recent interest from private developers in bringing forward Private Rented Sector (PRS) apartments, specifically the creation of build-to-rent PRS blocks. These are established in other cities as part of stand-alone blocks or as a leading element of a multi-tenure development.

3.13 The target group typically comprises key workers, often young urban professionals, who are looking for a comfortable and affordable place to stay for a secure length of tenure where the right life-style setting is important. Added amenities such as a concierge are part of the PRS life-style formula and this is where PRS distinguishes itself from the Build for Sale

sector. Types of life-style facilities can include workspaces, communal roof terraces and gyms. Additional income can be generated from these facilities, although the prime objective is the contribution they make to place-making and community building.

- 3.14 In certain markets, a multi-tenure scheme can be led by a PRS block rather than private individual units where it can “de-risk” a development, with front-loading income for the scheme to potentially allow a broad range of tenures to be offered. While the nature of PRS requires a stand-alone block from an investment and management perspective, good design can enable the block to be integrated into a mixed tenure scheme and remain tenure blind. PRS investors usually require a quantum of units to make a development viable. This is normally in the range of 100+ units depending on the area and size of overall scheme, the demand in the area and project viability.

Proposals for Private Housing for Sale

- 3.15 Recent developments such as “The Gallery”, an apartment block at Dublin Road, suggest there is some interest developing in housing for private sale. This might be expected to continue as other sites, for example, Sirocco, come forward for development. Housing for sale is another important residential element in a successful and vibrant city centre and home ownership is an integral element within new housing areas which can create balanced and sustainable communities.

Key Workstreams

- 3.16 The identification of key issues around liveability and increasing the residential population in the city centre and the development of potential options to address them will require joint working across Council and with a range of statutory agencies, in particular, DfC and NIHE. Additionally it will involve the private sector, housing associations and those developing the co-ownership model. The following work streams are particularly relevant.

Local Development Plan

- 3.17 The Local Development Plan (LDP) is one of the key opportunities for the Council to influence residential development in the city by supporting residential use in areas with the best supporting infrastructure and ensuring that supporting facilities and services are planned to serve the growing population. In addition to the detailed Population and Housing Growth Study, a series of Topic Papers have also been prepared that relate to Population Change and Housing and the City Centre, which offer an opportunity to examine the contribution the City Centre can make to meeting Belfast’s housing needs.

| | |
|------|--|
| 3.18 | <p>The Preferred Options Paper notes that there are underused, derelict sites and significant areas of brownfield land which we are encouraged to redevelop by regional policy and which lie within the city centre. There are huge opportunities for our city centre, not least given its shared sense of ownership by all communities and the access it offers to employment and other services and amenities, notwithstanding the contribution it would make to the wider economy. Belfast has a rich and varied built heritage, and there are clear opportunities to re-use of vacant buildings to accommodate housing needs in the city centre.</p> |
| 3.19 | <p>Extensive public consultation on the preferred options and engagement with key stakeholders is underway with a closing date of 20th April. Alongside this, a series of additional research is to be completed to help inform the next stages of the LDP preparation process. This will include detailed housing market needs analysis to consider the mix of housing to be supplied in terms of the size of units, types, and tenures of housing needed to meet the population and housing growth proposed.</p> |
| 3.20 | <p>A report to Planning Committee on 14th March will propose that an Urban Capacity Study will be completed by summer 2017 to consider where new housing can be accommodated, including the contribution that the City Centre can make through the re-use of vacant buildings on upper floors and housing as a component of mixed use developments. The responses to the POP consultation will be brought together with the additional research being undertaken, to help inform the drafting of the LDP documents.</p> |
| 3.21 | <p>The timetable for the adoption of the LDP is set out in Appendix 4. It is anticipated that the draft high level Plan Strategy is published for consultation at the end of 2017 and will be subject to an independent examination before adoption. Following adoption of the Plan Strategy, a Local Policies Plan will then be prepared during 2019/20 with a final date for adoption in late 2020.</p> |
| 3.22 | <p>Developing an Approach to Housing in the City Centre</p> <p>Increasing the residential population within the city centre is a key objective of the City Centre Investment Strategy and the Belfast Agenda, and is an integral part of the Local Development Plan. As major development sites within the city centre come forward with opportunities for residential use, and in advance of the LDP and local plan strategy being adopted, it is important that a measured approach to housing is established across the city</p> |

centre to promote inclusion, sustainability, cohesion and balance.

3.23

The objective is to produce high quality, sustainable developments with a mix of tenures that reflect the economic, social and environmental patterns of the city. The mix of tenures could include private for sale, PRS, social and affordable, including co-ownership, in addition to the student housing that is now coming forward. On larger schemes with capacity for significant amounts of residential units, integrated, mixed and blind tenure options should be considered.

3.24

The quality of residential developments has long-term impacts, both on the communities they house, and on the surrounding neighbourhoods. The location and how well they knit into the fabric of existing neighbourhoods and the city-scape are factors will have long term positive and negative implications for the city. Having the necessary physical and social infrastructure alongside the facilities to support development will be important in creating a sustainable and vibrant community. This will include the integration with existing provision combined with access to employment, amenities and effective public transport linkages. It is equally important to consider potential implications for the successful night-time economy and how this important element of the city centre economy and vitality can be maintained.

3.25

High quality design standards are paramount to the success and sustainability of housing development with issues such as space standards, orientation, storage, treatment of communal areas, access to open space etc. requiring careful consideration.

3.26

Key to all of this is viability of the projects, ensuring that high quality schemes come forward in the right location to meet demand. There is potential to look at different sources of funding and financing to assess how they may be combined to achieve a viable and mixed solution.

3.27

Proposed Actions

Belfast City Council will work to determine the contribution that the city centre can make to growing Belfast's population and increasing housing supply and seek to establish a balanced approach to housing as developments come forward. This will include:

- Progressing ongoing areas of work with DfC and NIHE and the private sector to develop an agreed approach to the development of a sustainable model for housing of mixed tenure and type in the city centre. This will include private housing for sale; PRS,

social housing and other forms of affordable tenure including co-ownership and opportunities for the Shared Future Housing Programme;

- identifying suitable mixed use sites and housing sites;
- collaborating with potential PRS providers to try to ensure that the type, nature and location of proposals are in line with CCIS and are financially viable;
- examining the re-use of vacant space, particularly on upper floors, in city centre buildings and the fiscal policy approaches to encourage their re-use;
- collating intelligence with regard to the local housing market including supply, demand and price points;
- examining the market demand for various tenure types and their viability ;
- considering options and the viability of mixed and blind tenure housing;
- working to support the 'liveability' of the city centre, including the need for community infrastructure to support new housing and the potential for developer contributions to support the provision of such physical and social infrastructure;
- consider the requirements to ensure a balance between City Centre living and existing commercial uses, including those that form part of the night-time economy;
- establishing a network of public open spaces and standards of provision;
- exploring the potential for ensuring quality design approaches for residential and other development to underpin the development of a liveable city centre;
- establishing transport and other infrastructure requirements;
- ascertaining information and funding available from the "Fresh Start" programme in the context of a possible pilot housing project to promote opportunities for shared housing through the development of more mixed-tenure housing areas, underpinned by a shared ethos;
- working with DfC to promote new opportunities to stimulate the growth of the Private Rented Sector;
- ensuring integration with the outputs emerging from the "100 Resilient Cities" project pioneered by the Rockefeller Foundation and the Future Cities Catapult project.

Equality and Good Relations Implications

Equality and good relations screening will be conducted as required, in parallel with any future proposed consultation process.

| | |
|------------|--|
| 3.29 | <p><u>Finance and Resource Implications</u></p> <p>There are no additional resource implications associated with this report</p> |
| 4.0 | Appendices – Documents Attached |
| | <p>Appendix 1: City Centre Boundaries</p> <p>Appendix 2: Liveability</p> <p>Appendix 3: NIHE Comments on Affordable Housing</p> <p>Appendix 4: LDP Timetable</p> |