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BY E-MAIL

10th January 2020

Our ref: LCC1000

Dear Sir/Madam,

RESPONSE TO LOCAL DEVELOPMENT PLAN 2032 - DRAFT PLAN STRATEGY

We write in response to the Council's recently published draft Plan Strategy (dPS) for the emerging Local Development Plan (LDP). Our response relates to the Plan Period proposed by Lisburn and Castlereagh City Council (the Council) and the strategic theme of the Strategic Housing Allocation within Chapter 4: Strategic Policies and Spatial Strategy.

Plan Period

It is welcomed that the Council has amended the Plan Period from 2030, as identified in the Preferred Options Paper (POP), to 2032 in the current draft Plan Strategy. However, we do not believe that this extension is sufficient enough to provide a sound Plan period for the reasons below.

It appears that this extension has been provided to align the Local Development Plan (LDP) with the Community Plan, which also runs from 2017 – 2032, rather than seeking to ensure that the LDP, once fully adopted, remains live for a reasonable period of time prior to reaching its notional end date.

The Council's current LDP Timetable confirms that the LDP preparation commenced in 2016, and it estimates that the Local Policies Plan, the final stage of the LDP preparation, will be completed at the end of 2024. Our experience is that there is already slippage in Council timelines and this is unrealistic. 2025 or even into 2026 are more realistic for the final adoption of the LDP. Accordingly, we do not consider it is sound for the LDP to be adopted and within its notional end date for only 6 – 7 years, despite a preparation period of 9 – 10 years.

In order for the extensive LDP preparation process to provide a LDP with a sound shelf-life we believe the Plan period should extend until at least 2035. This would positively add an additional three years of housing supply to be added pro-

rata to the identified figures. This suggested additional housing supply is factored into our calculations under our Strategic Housing Allocation response below.

Strategic Housing Allocation

Evidence Base

Whilst a number of data sources are used to inform the total quantum of housing to be allocated across the settlements and countryside within the Council area from 2017 – 2032, the key sources used by the Council are the 2012 based Housing Growth Indicators (HGIs) prepared by the Department for Infrastructure (DfI), and an independent Housing Growth Study commissioned by the Council.

In addition to these data sources, DfI has recently published updated 2016 based HGIs, which reduce the anticipated number of new houses required across NI between 2016 and 2030. The 2016 based HGIs in addition to providing a NI-wide figure, also provide figures for each of the eleven NI Council areas.

2012 based HGI

The 2012 based HGI paper was published by DfI in May 2016. It uses 2012 based household projections and was calculated for the period 2012 – 2025.

The 2012 based HGIs used a number of data sources – NISRA household projections, NIHE house condition survey, LPS publications, and NISRA central survey unit's combined survey sample.

The data set used from each one of these sources covered a period between 2008 and 2015. The 2012 based HGI projected a NI-wide need for 94,000 new dwellings over the 2012 – 2025 period, or 7,200 per annum. LCCC's share was identified as 9,600 dwellings, or 738 dwellings per annum.

To sense-check these figures DfI compared the proposed per annum figure of 7,200 dwellings to the LPS new dwelling completions data for 2010/11 through to 2014/15. The 7,200 figure was at least 1,000 dwellings per annum above the completions for each of these years. DfI concluded that the established figure of 7,200 per annum "*can accommodate the current level of completions and would allow for some growth in the future*".

It is no surprise that the calculated figure exceeded the completions registered in the five years identified. It is not mentioned by DfI that the five years used for comparison extended across the worst recession experienced in the housing market and wider NI/world economy in recent memory. Using these figures either as a comparison tool or directly as a data source to calculate HGIs without acknowledging that they are unquestionably unrepresentative anything approaching normal market conditions. At the very least the weighting attributed to these figures should be significantly reduced. This issue is fundamental to why the Council's Strategic Housing Allocation is unsound and is explained further below.

Council Independent Study

The Council appointed Lichfields to undertake an independent study of the 2012-based HGI figures and to update them based on 2016 household projection data. Updating the HGI to consider the latest household projections data resulted in a projected new dwelling requirement of 10,380 dwellings for Lisburn & Castlereagh between 2017 to 2032 (692 dpa).

This was rounded up to 10,500 dwellings (700 dpa) and concluded to be robust, despite being significantly below the 2012 based HGI, which when calculated over the 15-year Plan period equates to 11,070 new dwellings (738 dpa).

2016 based HGI

The 2016 based HGI was published in September 2019, shortly before the dPS was published. The 2016 based figures were not, therefore taken into account within the Lichfield assessment, but they are mentioned in the 'Technical Supplement 1: Housing Growth Study, October 2019'. The Council makes reference to them stating "*The updated figures very closely align with the figures produced by the Lisburn & Castlereagh City Council's Consultants who undertook the Housing Growth Study*".

The Lichfield calculated housing allocation figure is also below the figure within the 2016 based HGIs. These project a requirement of 10,700 dwellings over a 15-year period, or 713 dpa.

As with both the 2012 based HGI figures and the Lichfield study, the fundamental issue of including significantly depressed housing completion figures during the last recession (approx. 2010 - 2015) as a substantial part of the data set and not acknowledging or accounting for this in the weight attached to these years has resulted in an abnormally low period of housing output unduly influencing and limiting projected build rates.

The 2016 based HGI paper identifies a dwelling requirement of 84,800 over the 15 year period 2016 - 2030. This equates to 5,700 dpa. At paragraph 3.8 the paper compares this dpa figure to dwelling completions over the years 2010/11 through to 2018/19. The paper concludes on page 10 that "*a figure of around 5,700 per annum is a broadly central point amongst these nine annual figures and as such the updated HGI figure sits within the recent trend of completions over the past decade*".

We cannot accept this analysis and its fundamentally negative skewing of what would be reasonable housing completion projections over the Plan period. Looking at the listed nine years of dwelling completions the 5,700 figure is not a central point within these. The lowest year of completions was 2013/14 with 5,315 - less than 400 dwellings below the HGI figure, while the highest year was 2018/19 with 7,809 - some 2,100 above the HGI figure. Indeed, the most recent three years were the highest years and all at least 750 dpa above the HGI figure, whilst only three of the years (2011/12, 2012/13 and 2014/15) were below the HGI figure and all within 400 dwellings of the HGI.

The influence of the recession is further reinforced in Table A2 in the 2016 based HGI paper, which includes for comparison purposes a 15-year figure based on recent completion rates in the four years 2015/16, 2016/17, 2017/18 and 2018/19. These four years, as NI has come out of the recession and returned to more typical market conditions (ie. neither a housing boom nor a recession) result in a housing allocation of the Council area of 11,580 (772 dpa) over the Plan period.

It is unquestionable that as the rolling data set moves further beyond the recessionary years where housing output was abnormally low due to serious economic difficulties in the construction sector and beyond, the HGI figures will continue to head upwards and reflect housing output that is more aligned with typical market conditions. Good statistical analysis

would remove or reduce in significance the abnormally low output in production due to the uniqueness of the low level of housebuilding activity.

Using either the 2012 or 2016 based HGI figures without carefully correcting for the poor operation of the recession-hit NI housing market results in this abnormal element of the data set restricting future housing projections. The HGI papers acknowledge they are an indicator of past trends and prepared to inform and not cap housing allocations in LDPs.

Without taking this into account in their analysis of past housing growth trends and compensating for it in projecting future housing allocations the Council's Strategic Housing Allocation has significantly underestimated the reasonable housing growth requirements and as such is unsound.

Proposed Housing Supply

As articulated above, the completion rates for the past four years are more reflective of normal housing output across NI. These figures provide a much more realistic and achievable data set for projecting housing requirements over the Plan period, which we have stated should extend to 2035.

Taking the 11,580 dwelling requirement in Table A2 of the 2016 based HGI paper as the basis for the allocation and scaling up for a 2017 - 2035 plan period (18 years), this provides a figure of 13,896 dwellings. Applying the Council's 10% uplift figure to account for the likelihood of some sites not coming forward during the Plan period, results in a Strategic Housing Allocation (SHA) of 15,285. This figure is compared to the Council figure below:

	Total number of Dwellings
Council Strategic Housing Allocation	11,550
CS Strategic Housing Allocation	15,285
Uplift	+ 3,735

It is acknowledged that the Council has identified Blaris, West Lisburn as an area for strategic economic and housing growth associated with its location adjacent to the M1/A1 interchange and including a major new road connecting the M1 to the Knockmore Rd. The Council has identified an additional 1,350 dwellings for Blaris, which must be added to the above figures.

These figures must then be compared to the remaining capacity of all of the settlements and rural area as identified within the DPS, which is calculated as 13,928 dwellings when the extended Plan period is accounted for (only effects the rural capacity). This calculation identifies that when the remaining capacity of all settlements and the rural area is subtracted from the SHA there is a remaining requirement for land to accommodate a further 2,858 dwellings.

The table below calculates how this additional housing growth should be distributed across the settlement hierarchy based on a pro-rata increase.

Settlement Tier	Total Potential Units	%age of total	%age of total excluding Countryside &	Pro-Rate Additional Allocation required based on CS SHA
Lisburn City	5,203	37.4%	44.5%	+ 1,270
Lisburn Greater Urban Area	406	2.9%	3.5%	+ 100
Castlereagh Greater Urban Area	2,022	14.5%	17.3%	+ 494
Carryduff	1,612	11.6%	13.8%	+ 394
Hillsborough	512	3.7%	4.4%	+ 126
Moira	717	5.1%	6.1%	+ 174
Villages & Small Settlements	1,231	8.8%	10.5%	+ 300
Countryside	875*	6.3%	n/a	n/a
West Lisburn Blaris	1,350	9.7%	n/a	n/a
Total	13,928	100%	100%	+ 2,858

*Figure covers the proposed 18-year period to 2035, in line with Council calculation method.

Summary

Our analysis identifies that a sound basis for projecting housing growth is a SHA figure of 15,285, on top of which the strategic allocation of 1,350 dwellings at Blaris must be added. Comparing this to the capacity assessment undertaken by the Council and extrapolating this to an 18-year Plan period, we have identified that an additional 2,858 dwellings will be required over the 18-year Plan period to meet the projected need.

We have also broken this additional number of dwellings down across the settlement hierarchy using the Council's capacity figures in Table 3 on Page 64 of the DPS.

Conclusion

Our above analysis has demonstrated that the Council's Strategic Housing Allocation is unsound for reasons related to the inadequate length of the Plan period and the Council's failure to properly identify and account for the undue influence of the recession / associated suppression of housing output within the data set in projecting anticipated housing growth across the Plan period.

Yours Sincerely,