



Social Housing in Northern Ireland:

Briefing paper on social tenants, rents and affordability

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Abbreviations and Definitions

HA – Housing Association

NIHE – Northern Ireland Housing Executive

NIFHA – Northern Ireland Federation of Housing Associations, representing NI's 20 registered bodies of Housing Associations

SSSC – Social Sector Size Criteria policy that determines the amount of welfare payments working age individuals or families receive based on size of their accommodation

WSP – Welfare Supplementary Payments, which provide additional support to individuals and families adversely affected by SSSC.

Relative poverty - Where households have less than different thresholds of median income, adjusted for family size – the most used poverty line is 60% of UK median income but also households with income below 50% of median income (deep poverty) or 40% of median income (very deep poverty).

Absolute poverty – Where households have less than 60% of the UK median income in a specific year adjusted for inflation.

Deep poverty – Where household income is >25% below the 60% relative poverty threshold

Just in poverty – Where household income is up to 25% below the 60% threshold

At risk of poverty – Where household income up to 25% above the 60% threshold

Most stable - Where household income is >25% above the 60% threshold.

Executive Summary

Housing provision in NI

1. The increased urgency around housing policy in Northern Ireland (NI) mirrors broader trends across advanced economies. There are three interconnected challenges: increasing housing supply, improving affordability across all tenures, and advancing the decarbonisation of both new builds and existing housing stock. To contribute to the evidence base this briefing paper provides a detailed analysis of the social housing landscape in NI, with a particular focus on provision, the socio-economic characteristics of social tenants, and some reflections on social rents and broader housing affordability in NI. It draws on a wide range of data sources, including the 2021 Census, Family Resource Survey (FRS), Housing Conditions Survey (HCS) and the Continuous Tenant Omnibus Survey (CTOS).
2. Like many places, NI has experienced a long-term decline since the 1980s in both the absolute number and tenure share of social housing units. While NI's total housing stock in 2024/25 reached 836,000 dwellings, social housing accounting for approximately 15% and continues to play a vital role accommodating 244,000 people across 117,500 households (from the 2021 Census). In addition, there are ambitious NI Executive targets to expand the provision of social homes over the coming decade to address both current and future demand.
3. However, the sector's long-term decline in stock remains a pressing issue. Demand outstrips supply so that nearly 48,000 households were on the waiting list by the end of 2024. The ratio of applicants to allocations has worsened significantly over the past two decades, with only 17% of applicants receiving allocations in 2023-24. Urban areas, particularly Belfast and Derry City & Strabane, are experiencing the largest shortages but it is an issue in communities across NI.

Characteristics of Social tenants

4. The profile of social housing tenants highlights differences between social renters and other tenure types such as private renters and those with a mortgage, as well as some differences between renters from the NIHE (which houses 71% of social tenants) and HAs. The age distribution of social renters is similar to a broader cross-section of the population, with the largest share in the middle age groups (20–60-year-olds), though the share of 0–20-year-olds (30%) is larger than the general population, pointing to a higher number of younger household members living in social housing, especially with HA landlords.

5. Despite better employment levels in recent years across NI, labour market participation remains a significant challenge for social tenants, and they face much higher levels of employment deprivation than private renters or owner-occupiers. The Census data shows an employment rate among individuals living in social housing which is just over half the general population average rate (30.1% vs 56.8%). Employment history further highlights this disparity, with social tenants more than twice as likely to have 'never worked' compared to the general population (32% vs 15%). Economic inactivity rates, too, are much higher among social renters than the wider population, with 36% of social tenants being long-term sick or disabled – the largest category of inactivity.
6. Despite the younger age profile, educational attainment among social tenants is generally lower than other tenure types. The Census data shows that 39% of social tenants lack formal qualifications, underlining the continued need for skills and employability support. There are some sub-regional variations in this data though social renters in Belfast and Derry City and Strabane mirror the overall disparities in educational outcomes.
7. As a result of poorer employment outcomes, individuals in social housing are disproportionately represented in lower income brackets, with 36% of social renters falling into the lowest income quintile. In 2023/24, an estimated 33,045 social tenant households had a total weekly income of less than £400, meaning that benefits play a crucial role in supporting housing costs. In 2023, 69% of NIHE tenants had their rent fully covered by benefits, 8% partially and less than a quarter (23%) paid their rent in full.
8. With lower incomes and need for support from benefits, it is unsurprising that over the past decade, an average of 24% of social housing residents were at risk of poverty after housing costs are paid, compared to 18% of the general NI population in 2023/24 in the same position. This highlights how the social housing sector remains a clear necessity for individuals and households with low incomes, though it also raises a question whether poverty constrains mobility out of social housing should other options be sought.
9. The quality of housing for social tenants, from past House Conditions Surveys and tenant surveys, is regarded as generally good, and often better than can be found in parts of the private rented sector. Despite this health outcomes vary significantly across housing tenures in NI, individuals in social housing are more likely to report poor health, significantly more regularly than owner-occupiers and a little more than private renters. The correlation between housing tenure and perceived health outcomes is likely to be the result of the broader socio-economic inequalities noted above rather than housing quality.

Social rents and their affordability

10. Housing costs for social renters are typically lower than other tenure groups because social rents are intentionally set below market rates to ensure affordability for lower-income households. The rents are determined by two key components: the pricing

formula or method used to assess the rent for each property, and the annual adjustment approved by either the housing provider or a government regulator. There are various methods used to set rents in social housing – from cost-based models which set rates based on the actual cost of providing and maintaining housing to the market-based where social rents are expected to reflect local private rental market conditions to promote transparency and alignment with market forces.

11. The rent-setting method used in NI is close to the utility-based model, traditionally used in the UK, which links social rents to property features such as age, size and quality. Rents for NIHE and pre-1992 housing association (HA) properties are determined through factors such as dwelling type, number of rooms, and property age. More recent HA properties have greater flexibility to set rents based on operating and construction costs. These methods of rent setting continue to be the case after several reviews of social rents since 2000. Any annual rent increases need Department for Communities (DfC) approval in the case of the NIHE, while HAs retain more discretion.
12. For a typical social renting household in NI in 2023/24 weekly social rents were at least 10% below the UK average, similar to the position in the North-East, Scotland and Yorkshire and the Humber. The type of social landlord matters, as public or local authority housing typically has lower rents than those set by HAs. This has been the case in NI too, with NIHE rents lower than those charged by HAs with a growing gap over the past decade.
13. Housing affordability is again a challenge, as the cost of buying and renting homes has outpaced both inflation and wage growth in recent years. When it comes to social rents these are relatively affordable in NI when compared to other housing tenures and social rental affordability in some UK regions. Since 2014/15 social rents have consistently accounted for around 13% of the median weekly wage in NI – a level comparable to England, slightly higher than Scotland (12%), and lower than Wales (15%). The affordability ratios rise for lower earners but still remain well below the 25% threshold commonly used to define affordability. However, when we take a household income view we quickly find that 33.3% of the income of social renters in the lowest income quintile is spent on housing and 30% in the second income quintile. This highlights that, for some social tenant households, even lower housing costs can give rise to an affordability issue.
14. The briefing paper also identifies how a key limitation of traditional housing affordability measures is their narrow economic focus and a failure to capture the lived experiences and perceptions of renters or owners. A better understanding of the outlook of social tenants (through surveys or qualitative research) can offer a more holistic view of affordability, including financial self-assessments and indicators such as an ability to heat their home, take a holiday, or having to avoid delaying bills or rent payments.

1. Introduction

1. Housing has again become a key policy challenge for governments worldwide. One recent report on housing has described a ‘troubling trinity’ of issues: rising levels of homelessness; growing waiting lists and high payment burdens in renting; and challenges to enter homeownership¹. The need to increase housing supply and to decarbonise both new and existing stock are also highlighted as pressing priorities.
2. The focus of this paper is social housing. This remains a critical part of housing provision, although it now accounts for a smaller share of housing stock and tenure than it did in the 1980s in advanced economies. The 2021 Census showed almost a quarter of a million people in NI lived in social housing, 15% of all households. A further 49,000 households were on social housing waiting lists in Q1 2025, a testament of how important social housing is for a significant part of the population across NI. The Northern Ireland Housing Executive (NIHE) provides and maintains around 80% of this stock, the rest is offered by Housing Associations (HA). This balance between the NIHE and HAs is different to GB where HAs play a larger role but is similar to the importance of local authorities in the Republic of Ireland.
3. The provision of social housing is a significant challenge for policy makers across the UK and Ireland. The Labour Government in the UK has set out a 500,000 target for new social homes and what the Chancellor of Exchequer called the ‘biggest cash injection in 50 years’, a £39 billion Affordable Homes Programme as well as a 10-year rent settlement on increases in social rents. In NI housing policy is the responsibility of the Department for Communities (DfC). The Social Housing Reform Programme, begun in 2013², the 2025 *Programme for Government 2024-2027*³ and the *Housing Supply Strategy 2024-2039*⁴ have all focused on similar issues of social housing supply, allocation processes, financing and maintenance of NIHE stock, quality and more latterly, decarbonisation of housing stock. Much of the commentary has centred on the targets for social housing supply, set at least 5,850 social homes by 2027. Most commentators expect this will be missed due to a lack of funding, capacity or both⁵, while the DfC Minister, Gordon Lyons, has also made the case for more funding to be able to meet these targets.
4. This briefing paper includes sections on social housing provision as a part of the wider housing market in NI, a profile of the characteristics of social tenants, and trends in social rents and their affordability. It is intended to provide an evidence base for a wider necessary debate about what social housing is there to do and why these matter for the wider economy.

¹ Duncan McLennan & Ken Gibb (2025), *Housing the Economy* (NIESR Policy Paper 44, February 2025).

² Joe Frey, ‘Social housing in Northern Ireland: Challenges and policy options’ (UK Collaborative Centre for Housing Evidence, October 2018).

³ Programme for Government, Our Plan: Doing What Matters Most, March 2025

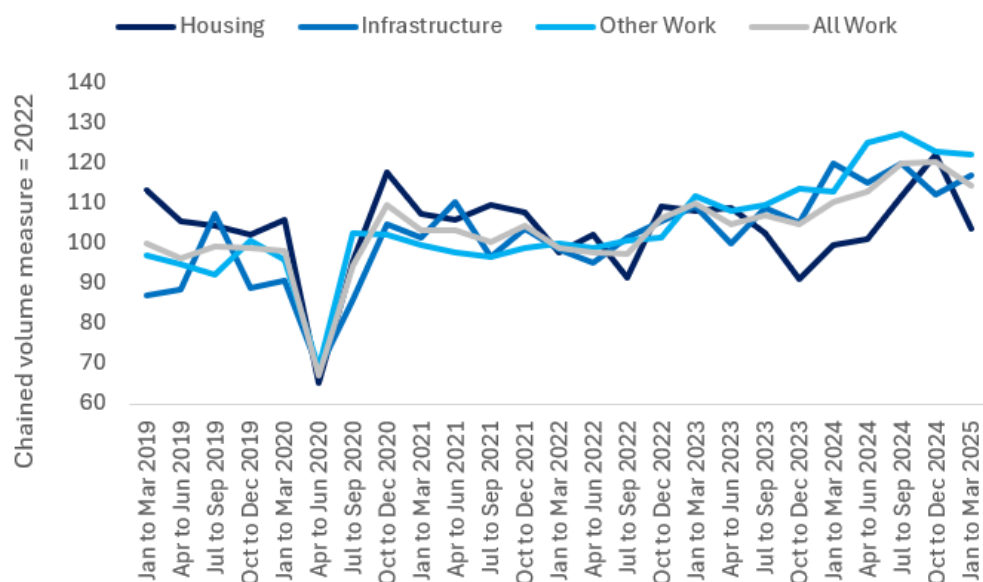
⁴ Department for Communities Housing Supply Strategy 2024-2039, a home for everybody, pg. 8

⁵ For example, Seamus Leheny blog for Pivotal, 11 September 2024, at <https://www.pivotalpolicy.org/our-work/pivotal-platform/northern-ireland-urgently-needs-more-social-and-affordable-housing>

2. Housing provision in NI

1. The latest NI housing stock figures show the total number of houses and apartments in NI in April 2025 was 841,827 dwellings, an increase of 5,839 on a year previously or 70,700 on a decade earlier. Every type of property has increased over the decade, and their shares are little changed with detached (36%) and terraced (27%) houses the two largest types. The share of semi-detached houses (26%) has grown slightly, while that of apartments (11%) has barely changed on ten years previously.
2. Housing plays an important part within the economy, not least because of the link to the Construction sector, which employs 68,000 in NI. Economists are becoming more aware of links between how well the housing market is performing, such as access and affordability as well as the health of the economy. A factor linking these is the mobility of workers matched by availability of housing costs.
3. Figure 2.1 shows the output at 2022 prices for different types of construction work in recent years, including housing, infrastructure and other work such as commercial construction. It shows the greatest level of fluctuation in housing output with the sharp decline during the early pandemic period followed by an initial strong recovery and subsequent volatility. The other types of work and overall construction output have seen a steadier upward trend since the end of 2020, indicating pipelines of investment.

Figure 2.1: Northern Ireland Output Construction, chained volume measure 2022 prices, 2019-2025



Source: NISRA, Northern Ireland Construction bulletin

2.1. Stock and supply

4. In comparative terms, NI has a lower number of dwellings per thousand people than in GB but has moved significantly ahead of the Republic of Ireland (RoI) since 2015. Table 2.1 below shows the change in housing stock and completions since 2015/16 and how NI's completions have been relatively higher than those in GB across the period. In the RoI the chronic under-supply of homes has begun to be addressed in recent years with higher rates of completions, but population growth and changing household profiles continue to pose severe challenges.

Table 2.1: Housing stock and completions in NI, Republic of Ireland and GB, 2015/16 and 2024/25

	NI		RoI		GB	
	2015/16	2024/25	2015/16	2024/25	2015/16	2024/25
Population (000s)	1,852	1,928	4,688	5,380	63,258	66,345*
Total housing stock (000s)	777.1	836.0	2,002	2,112**	27,713	29,584**
Total stock per 1,000 popn.	416	434	427	407**	438	450**
New dwelling completed	5,800	6,125	7,800	30,300	163,500	176,000
New completions per 1,000 popn.	3.1	2.8	1.7	5.9	2.6	2.8

Source: NISRA, *NI Housing Statistics, 2024/25*; *UK Housing Review, 2025*

Note: * denotes 2023/24 data; ** denotes 2022/23 data

5. Within NI the housing stock data for the 11 Council areas reveals that most Council areas have seen an increase in dwellings per 1,000 population since 2014/15. However, Lisburn & Castlereagh and Antrim & Newtownabbey have not shown points of pressure. There is no clear sub-regional pattern of dwelling densities, with Causeway Coast & Glens and Belfast having the highest densities. Belfast stands out in terms of dwelling types, with a larger share of apartments (38%) and terraced housing (30%) than other LGDs. This, along with differences in tenure shares, suggests that Belfast (and to a lesser extent, Derry City & Strabane) represents a distinct housing market compared to the rest of NI. These findings highlight the importance of tailoring housing policy and planning approaches to reflect local needs.
6. Looking at social housing the long-term decline in stock numbers since the 1980s has been highlighted in successive House Condition Surveys (HCS)⁶. At the time of the 2016 HCS social housing stock amounted to 121,000 dwellings or 15.5% of the then total stock. The demolition of unfit homes has been a factor, but the key contributor to declining stock numbers has been the Right to Buy policy. This UK policy led to the NIHE House Sales Scheme, voluntary from 1979 and statutory from 1993. In the 1980-2023 period, 121,311 homes were sold with no

⁶ This briefing paper comes out ahead of the 2024 HCS, with preliminary results due in December 2025.

replacement building activity on that scale. The pace of purchases slowed in the second half of the 1990s and especially after the crash of 2008, to less than 1,000 sold each year, mirroring a similar trend across the UK. Between 2016/17 and 2023/24 there were 3,530 homes sold from the NIHE stock, just over 390 per annum.⁷

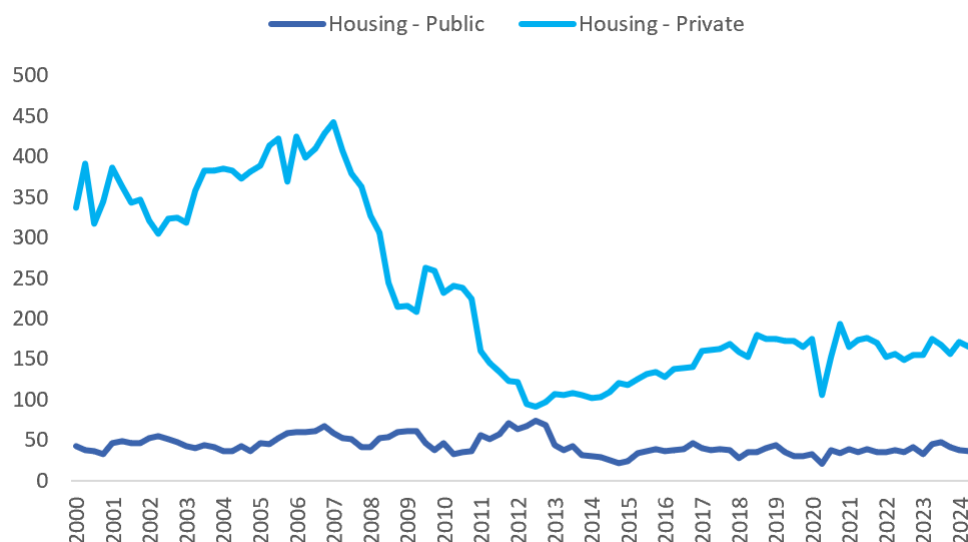
7. Two reviews of the House Sales Scheme (in 2004 and 2019) argue that the properties sold would not necessarily have been available as fresh supply, and that sales provided capital receipts for fresh supply and maintenance/improvement. However, there have been ‘second round effects’, including changing the nature of areas with high levels of social housing, as more than half of sold properties have either been resold or are now in the private rented sector. Also, the profile of social tenants has changed as house sales were often undertaken by those social renters in employment. The result is further ‘residualisation’ of social housing with higher rates of inactivity and unemployment among tenants.⁸
8. In Britain, there has also been a significant housing stock transfer from local authorities to Housing Associations (HAs). In Scotland, six mid-sized local authorities transferred their entire stock to HAs in the 1990s. While this change means a shift in social landlords, the stock remains within the sector. In contrast, there has been little interest in stock transfer in Northern Ireland (NI), with minimal movement between the Northern Ireland Housing Executive (NIHE) and HAs.
9. The 2016 HCS identified that more than 40% of social housing dwellings were terraced houses (a higher proportion than on average) and a significant share is concentrated in the Belfast City and Derry City & Strabane council areas (where they make up 27% and 24% of total stock respectively). The age profile of social housing is similar to the broader age profile of housing stock in NI with 40% built since 1980, 80% since 1965. There is a difference of few social houses built pre-1919, the golden age of social housing being in the 1965-1980 period (a little later than in many other European countries and regions). By way of comparison, around 60% of private rented sector (PRS) dwellings have been built since 1965. Turning to the fitness of housing stock, the HCS found that 97% of social housing dwellings were designated as ‘satisfactory’ or ‘acceptable’ – a slightly higher share than the 94% of all dwellings. Less than 4,000 social housing dwellings were judged to be ‘defective’ or ‘unfit’, less than half of the number of PRS dwellings in the same categories.
10. Taking a longer-term view of housing supply, Figure 2.2 over shows the very steep decline in house-building activity from its peak in Q1 2007. With the Global Financial Crisis of 2008-09, housebuilding came almost to a halt as house prices collapsed. Private sector building began

⁷ *UK Housing Review 2025*, Table 21; NIHE, *Annual Report 2024/2025*.

⁸ These two important research papers are: S McGreal, J Berry, A Adair & A Murie, *The house sales scheme and the housing market* (2004); Northern Ireland Housing Executive, *House Sales Scheme: Outcomes and Experience, 1979-2019* (2020).

to recover from Q4 2012, but this recovery has been very gradual. This can be seen in that the volume of output in Q3 2024 was lower than twenty years earlier in Q1 2003. Between 2021 and 2024 5,600 private houses and apartments were completed.

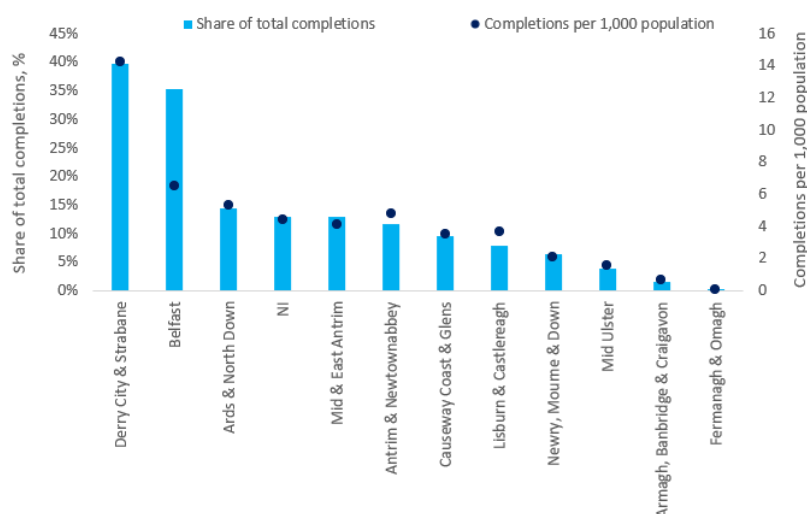
Figure 2.2: Volume of new housing output, public and private sector, NI, 2000-2024



Source: NI Construction Bulletin, Q3 2024 (September 2024) (Chained volume to 2019 prices)

- The volume of public sector (or social) housing, all of which has come in this period from HAs, has been much lower than private sector activity (11% of all completions) and, except for two years of greater level of activity (2006 and 2012), has remained steady over the years. Housing completion data for 2005-2015 shows around 9,500 social houses built across NI (less than 1,000 per annum). Another 8,340 have been completed in the 2015-2024 period (or 875 per annum), more than 8,000 of these being new builds. Close to 40% of these completions since 2015 have been in Belfast or Derry City & Strabane.

Figure 2.3: Social housing completions per 1,000 popn. and share, NI and LGDs, 2015-24



Source: LPS; UUEPC analysis

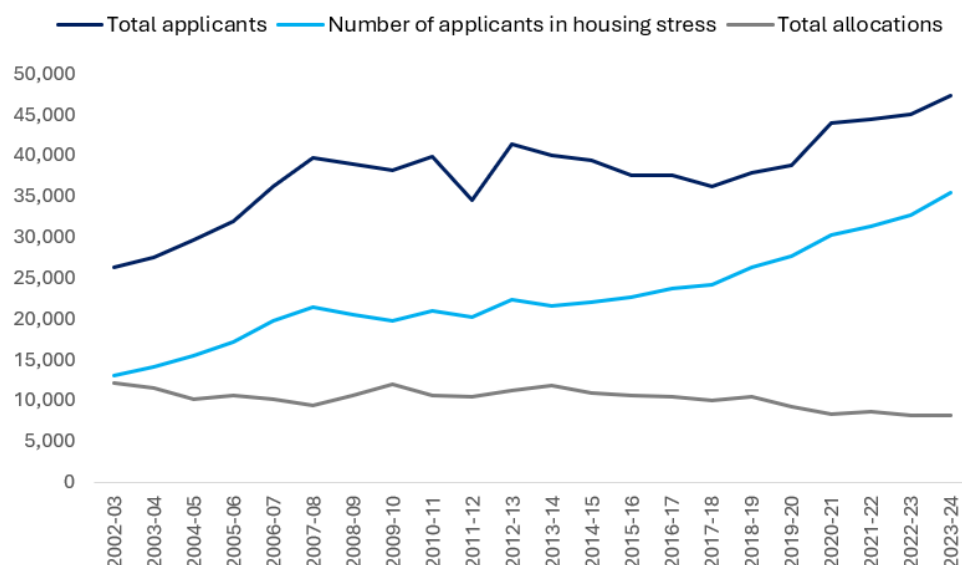
12. With slowing social housing sales since 2016 and the supply figures noted above it will be interesting to see if the 2024 House Condition Survey records the first net increase in social housing stock since the 1980s, with almost all of this delivered by HAs.

2.2. Demand

13. The NIHE, as the regional housing body, provides projections of current and future demand for housing from growth in household numbers, the current demand that is not being met and the impact on numbers from demand for second homes, levels of vacant dwellings and other factors.
14. The main driver of demand is from new household formation. In 2021 the number of households increased to a record 768,810, which represented an increase of 9%, higher than the 5% population growth. A key reason for this difference is the decline in the average household size, now at 2.4 people per household, with the share of one-person households now at a high share of 31%. Household growth occurred across every LGD but with increases in Lisburn & Castlereagh (14.2%) and Mid Ulster (13.0%). Belfast continues to have the largest number of households (149,208), but it experienced the lowest growth from 2011 (5.4%) and now has a share of single person households which is above the NI average.
15. Research for or by the NIHE results in estimate of how many dwellings need to be built each year. A 2014 report⁹ identified the housing need as being 8,500 per annum for the 2011-2021 period, made up from 7,210 dwellings supplied by private sector development and 1,300 new social dwellings a year. However, the numbers were not met as the number of new housing starts for the ten years were closer to 6,300 private dwellings and 1,000 social dwellings each year. The targets have been reduced in the *Northern Ireland Housing Supply Strategy 2024-2039* to 100,000 new homes over the next 15 years, or 6,600 new homes every year. There is also a stronger emphasis on social housing with a third of the new homes (or 2,200 per annum) to be supplied as social dwellings, though this depends very much on funding being made available.
16. With targets consistently being difficult to meet, the backlog or unmet demand increases. This is most evident in the sharp increase in the number of people on social rented sector waiting lists. Figure 2.4 illustrates the number of applicants on social housing waiting lists and those deemed to be in housing stress, on an upward trajectory, increasing year on year since 2011. In contrast the numbers of those being allocated social housing have been decreasing since 2002 by 33% with the gap between total applicants and total allocations widening each year, with only 17% of allocations being made to applicants in 2023-24. Given the issues with supply, and especially for social housing, demand is likely to continue to outstrip supply without some dramatic change.

⁹ C. Paris, J. Palmer & P. Williams, *Demographic change and future housing need in Northern Ireland* (NIHE, 2014).

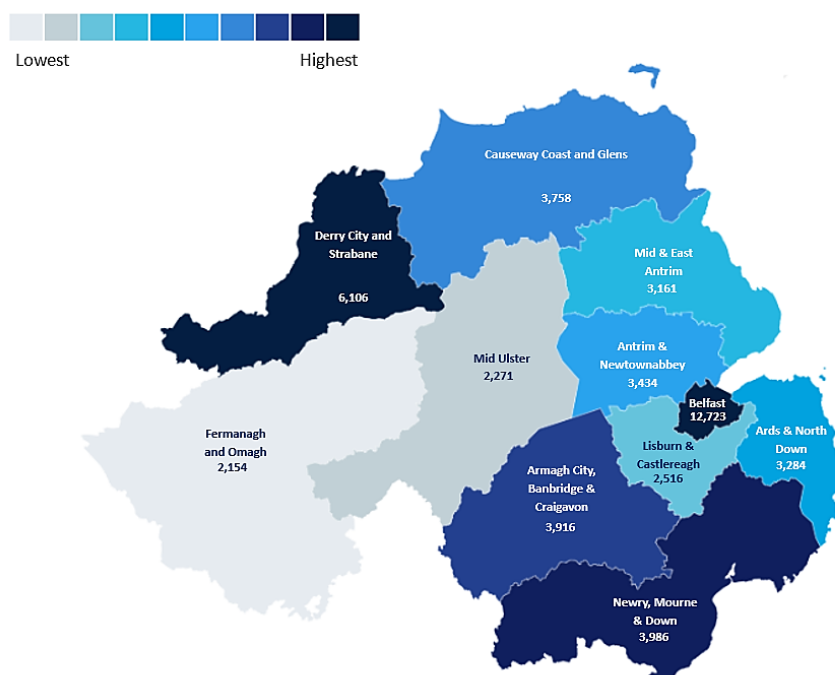
Figure 2.4: Number of applicants on social housing waiting lists, number of applicants in housing stress and total allocations, NI, 2002-2024



Source: DfC

17. The spread of those on waiting lists across the LGDs in Northern Ireland, as shown in Figure 2.5, reveals strong concentrations in areas with already high shares of social housing. Belfast has the highest share of those on social housing waiting lists at 27% (12,730), followed by Derry City and Strabane with half that share, 13% (6,106). After Newry, Mourne and Down on 8% the other LGDs have similar shares down to Fermanagh and Omagh at 5% (2,154).

Figure 2.5: Social waiting List by LGD, Northern Ireland, 2023-2024



Source: DfC, NIHE

18. Life on the social housing waiting lists is difficult for many. The average time on the list is now more than five years, with almost two thirds of those on the waiting list in March 2025 defined as meeting the criteria for homelessness as Full Duty Applicants. Research in 2024 which surveyed those on the waiting list described life as ‘on hold’ with many life decisions, such as starting families, changing jobs or going into full-time education, all being delayed.¹⁰

2.3. Tenure trends

19. Table 2.2 shows the changing tenure shares across censuses in NI since 1981. Home ownership, the dominant form of tenure in the 1980s, has been declining as a share since the Great Financial Crisis. Social housing’s share has fallen over the forty years by around 25 percentage points, with stabilisation in the past decade at 15%¹¹, the provision of social housing remains of great importance. The Census 2021 data records that 244,000 people live in social housing across 117,500 households, including 83,000 households living in NIHE-owned properties and 34,500 accommodated in HA stock.
20. Long-term tenure patterns in Britain and Ireland have followed similar trends since the 1960s. The share of owner-occupiers has risen sharply, reaching around two-thirds of all homes by 2008, with outright owners now a majority. The PRS declined sharply from the 1960s to around 10% by 2001 in the UK, and below that in Ireland and NI (6.7%) before rising again. The PRS has now reached a 17% share, impacted by Buy to Let mortgages from the mid-1990s and the barriers to homeownership for younger people following regulatory and lending changes after 2008.

Table 2.2: Share of housing tenure (%) as per Census data, NI, 1981-2021

Year/ Tenure of households	1981	1991	2001	2011	2021
Owens outright	49.4	26.0	29.4	32.1	34.7
Owens with mortgage	...	36.3	40.2	35.4	30.5
Privately rents	9.1	5.8	6.7	13.5	17.2
Rents from NIHE	39.3	29.4	18.6	11.5	10.8
Rents from HAs	1.0	1.6	2.6	3.4	4.5
Other/rents free	1.2	1.0	2.5	4.0	2.3

Source: NISRA, Census results

21. The growth in the PRS reflects a reduced number of social housing dwellings to let, although a question remains about the extent to which the PRS can cater for low-income households¹². Social housing had a 40.3% tenure share in 1981 which had fallen to 15.3% in 2021, the sharpest decline being up to 2001. Within the sector the Census data highlights the growing role of HAs, beginning in NI in the 1980s and now almost 5% of the total tenure share.

¹⁰ Crisis & Simon Community, *Lives on hold: Understanding the consequences of waiting for social housing* (2024).

¹¹ The 2016 HCS identified 121,000 homes in the social sector (15.5% share), down from 154,000 social housing dwellings (26% of the total stock) in 1996.

¹² For an analysis of the challenges an intermediate rent model could face, see M. Haran et al, *Exploring the provision of an Intermediate Rent product for Northern Ireland* (NIHE, Nov. 2022).

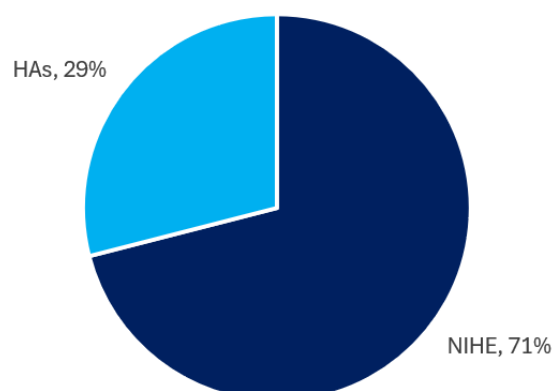
3. Tenants in the social housing sector

1. This chapter offers a profile of social tenants from Census 2021 and other official survey data, as well as the results of the Continuous Tenant Omnibus Survey (CTOS) for the characteristics of NIHE tenants. It begins with demographic characteristics before going onto health, education labour market status, incomes, housing support and poverty.
2. The NI Census has included a question on tenure type since 1971 with five categories including one for 'renting from a local or public authority'.¹³ The tenure variable is also present in several other official statistical surveys including the Labour Force Survey (LFS), the Family Resources Survey (FRS) and the NI Continuous Household Survey (CHS). Finally, the NI House Condition Survey (HCS) – usually run every five years – allows a further analysis not only of houses but also of households and persons by tenure type. Two further surveys commissioned by the NIHE and HAs provide information on social tenants, including their perspective on costs and landlord services. CTOS takes the views of 2,600 NHE tenants annually. The NICORE¹⁴ survey of HA tenants provides policy makers with not only allocation data to new tenants by the HAs but also how long people have been on waiting lists, why they seek social housing and some data on rents charged and incomes or employment status.¹⁵

3.1. Demographics

3. The 2021 Census estimates a total of 244,000 individuals and 117,500 households in the social housing tenure group, approximately 15% of all households. This includes 83,000 households (71%) who are tenants of the NIHE and 34,500 (29%) tenants of the HAs. At the time of the 1981 Census 593,100 persons (in 179,200 households) were tenants of the NIHE, while 12,000 persons (in 4,400 households) were tenants of HAs or charitable trusts, showing how the absolute numbers and the NIHE/HA shares have changed.

Figure 3.1: NIHE & HA households in Northern Ireland, 2021



Source: NISRA, Census 21

¹³ The same question was first asked in the census for Great Britain in 1961.

¹⁴ NICORE stands for NI Continuous REcording of lettings and sales in social housing, managed by NIFHA since 1997.

¹⁵ In 2023-24 2,802 allocations were made to new HA applicants; see NIHE, *Annual Report 2023-24* (2024), p. 26.

4. The Census shows that the age distribution of social housing tenants reflects a broad cross section of the population, with the largest share in the middle age groups (20–60-year-olds). However, the largest age band share is for 0–20-year-olds (30%) which is larger than the general population (25%), signalling a higher number of younger household members living in social housing, especially with HA landlords.
5. Household size is quite different when comparing social tenants and the wider population. Almost 50% of social renters, regardless of landlord, live in one-person households, with most of these aged under 65. This is a much higher share than the broader population (31%). The Census also highlights a high proportion (14%) of lone parent households in social housing, much higher than the 6% of households in the general population. However, this share is the same as that in the PRS and the absolute number of private tenant lone parents is now larger. The Family Resources Survey data shows this change over time. The percentage of lone parents with children living in social housing peaked at 51% in 2002–03 but has since declined. It fell as low as 28% in 2013–14 and since then has varied between 33% and 41%.
6. Table 3.1 presents the distribution of residents by how long they have lived in their current home by tenure. Social renters are more likely to have long-term tenures, with over half (53%) having lived in their homes for 10 years or more. Compared to private renting, who tend to have shorter stays, with a noticeable drop off after 10 years. Both owning house outright and with a mortgage tend to be long-term with very few in the early stages on the tenure.

Table 3.1 Length of residency in household by tenure, Northern Ireland, 2023-2024

	Social renting	Private renting	Owned outright	Buying with a mortgage	
Less than 12 months		2%	18%	1%	4%
1 year but less than 2 years		7%	16%	1%	9%
2 years but less than 3 years		7%	11%	2%	7%
3 years but less than 5 years		9%	12%	2%	14%
5 years but less than 10 years		22%	23%	9%	25%
10 years but less than 20 years		26%	14%	14%	25%
20 years or longer		28%	6%	72%	16%

Source: StatXplore, UUEPC analysis

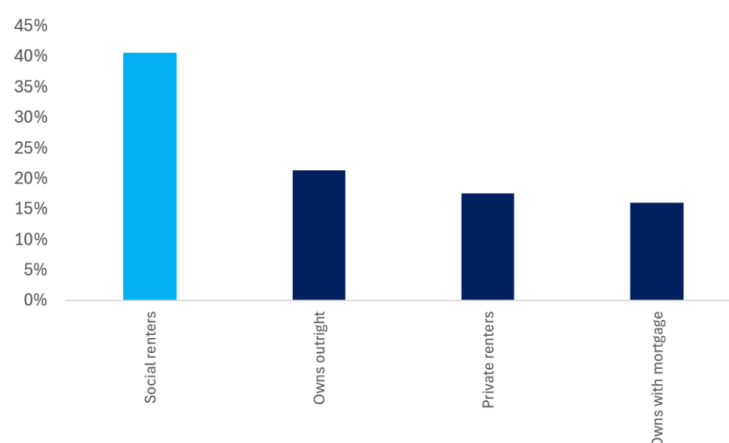
3.2. Health and Education

7. Housing is often cited as an important social determinant of health recognising the ways in which a lack of housing, or poor-quality housing can negatively affect health and wellbeing.¹⁶ Health outcomes vary significantly across housing tenures in NI. Individuals living in owner-occupied homes with a mortgage report the highest levels of health, with 48% describing their health as "very good" and 41% as "good." Those who own their homes outright also report relatively strong health, though slightly lower, with 26% in "very good" health and 28% in "good" health. In contrast, tenants in social housing (NIHE and Housing Associations) report the lowest levels of health, with only 7% stating "very good" and 11% "good" health. Private renters fall in between, with 16% reporting "very good" and 19% "good" health. These

¹⁶ Rolfe et al. (2020), 'Housing as a social determinant of health and wellbeing', *BMC Public Health*, 20:1138.

disparities suggest a strong correlation between housing tenure and perceived health, almost certainly reflecting broader socio-economic inequalities.

Figure 3.2: Those deemed to have very bad health by housing tenure, aged 16-65, Northern Ireland, 2021



Source: Census 21, UUEPC analysis

8. As figure 3.2 shows in NI, individuals in social housing are more likely to report poor health compared to good health. According to the 2021 Census, only 7% of social tenants described their health as very good and 11% as good. In contrast, a significantly higher proportion reported being in bad (35%) or very bad (41%) health highlighting a stark disparity across those in social housing.
9. Education plays a crucial role in shaping life opportunities and economic mobility, and, as a result of this, influences housing outcomes. For social housing tenants in NI, lower levels of educational attainment is often closely linked to broader socio-economic challenges such as limits to stable employment and higher incomes. Social tenant's qualifications tend to be lower (see Table 3.2) with significantly higher levels of individuals of working age having no formal qualifications (39%) when compared to those buying a house with a mortgage (10%) or private renters (23%).

Table 3.2: Highest level of qualifications by tenure type, aged 16-65, Northern Ireland, 2021

	Owns outright	Owns with a mortgage	Social renters	Private Renters
No qualifications	17%	10%	39%	23%
Level 1	7%	5%	9%	7%
Level 2	15%	15%	17%	16%
Level 3	17%	20%	14%	19%
Level 4 and above	36%	43%	14%	28%
Other	8%	6%	7%	8%

Source: Census 21, UUEPC analysis

Notes: Level 1 = 1 to 4 GCSEs, O levels, CSEs (any grades); 1 AS Level; NVQ level 1; or equivalent. Level 2 = 5 or more GCSEs (A*-C) or equivalent. Level 3 = 2 or more A Levels or equivalent. Level 4 and above = Degree (BA, BSc), foundation degree, NVQ Level 4 and above, HND, HNC, professional qualifications (teaching or nursing, for example), or equivalent. Other = Apprenticeships; other qualifications.

10. When we compare social renters and private renters the qualifications profiles are different. For social renters the concentration is in those with no or low (Level 1) formal qualifications (48%) and this is much lower for private renters (30%). A slightly higher proportion of private renters have intermediate qualifications (Levels 2 to 3) than among social renters, 35% and 31% respectively. Similar levels 7% and 8% possess apprenticeships or other vocational qualifications, meaning the largest difference is between the 28% of private renters who possess Level 4 and above qualifications compared to 14% among social renters. This Census data on highest qualification levels presents a stark reminder that skills and employability interventions remain very necessary for many social tenants to be able to access the job opportunities (with the minimum criteria especially Level 4 and above) that are often on offer.
11. There is some variation in the highest formal qualifications held among social renters in different parts of NI. The qualifications levels in Belfast mirror or set the NI averages, given their weight among social renters generally. In Derry City and Strabane, there are slightly lower proportions with no or low formal qualifications (46%) and slightly higher than average with Level 4 and above (16%). The Council areas with higher levels of no or low formal qualifications include Mid Ulster, Causeway Coast & Glens and Fermanagh & Omagh (all on 51%).

3.3. Labour Market Outcomes

12. The NI labour market has been an expanding and tighter one in recent years after the shock of Covid-19. Employment rates are back at pre-2020 levels (above 72%) and payroll numbers for jobs have risen sharply until a slowing down in recent months. However, the structural issues around high levels of economic inactivity (26.3%), much higher than the UK average (21%) continue to dog the local economy. This section seeks to better understand the place of social tenants within the NI labour market given how employment and income levels directly shape both the demand for social housing and the affordability of tenancies and tenants' ability to sustain them.
13. Within the NI labour market median weekly wages have grown in recent years though real wage growth has barely registered for two decades. The full time weekly median wage of £666 is now 91% of the UK median. Wages at the 10th percentile have also shown little real growth in two decades but the gap with the UK 10th percentile is slightly smaller (93%), probably due to the influence of the UK National Living Wage on lower paid workers.
14. Over time NI's proportion of workers on low pay (earning below 66% of the median wage) has improved, with the share decreasing from 28% in 2002 to 11% in 2024. Much of this decline occurred after the introduction of the National Living Wage in 2016, now £11.44 per hour for those aged 21 and above. However, NI remains a region where low pay is more prevalent even if the picture has been improving and the recent cost of living crisis has negatively impacted the 'real' impact of higher minimum wages.

15. The key challenge for social tenants is a lower level of participation in the labour market. The Census 2021 data for employment rates of individual persons living in social housing was 30.1% compared to 56.8% in the whole NI population, pointing to a significant gap. Research from the Institute of Employment Studies (IES) using 2018-2020 data found that employment rates for social tenants in NI are towards the bottom of the UK rankings: 38% compared to West Wales at 46% or Merseyside at 48%.¹⁷ The IES report also identified wider employment gaps for those living in social housing when compared to the wider working age population. Labour Force Survey data suggests that much larger gaps exist in NI than elsewhere in the UK, even allowing for the fact that NI's overall employment rate lags the UK average (by 3.4 percentage points in May 2025):
- Employment rate gap between Council/NIHE tenants and general population – 15% in the UK and 22% in NI
 - Employment rate gap between HA tenants and general population – 12% in the UK and 16% in NI.¹⁸
16. The LFS data for 2020-22 on hours worked showed that NI social tenants had the third lowest average with only the North-East and South-East of England lower. In addition, the NI gap for hours worked between social tenants and private tenants or homeowners was only exceeded in London and the South-East.¹⁹ The Census data supports this picture with 36% of social tenants in work working 30 hours or less, compared to 30% of the general working population and 26% of mortgage-holders. Fewer hours worked will inevitably result in lower earnings accrued from employment.
17. Employment history is a strong indicator of the degree of challenge faced by social housing tenants. The Census shows that social tenants are more than twice as likely to have 'never worked' as the general population (32% vs 13%). There are also significantly higher levels of 'not having worked in the last 12 months' among social tenants (36%) than among the general population (26%).
18. Indeed, the IES report suggests that almost all of the regional differences in social tenant employment rates can be explained by differing rates of economic inactivity. Census 2021 data suggests that two thirds of social tenants aged over 16 can be classified as economically inactive, much higher than the 40% of the wider population in the same age group. Social tenants are much more likely to be inactive than the already high rates among the NI population.

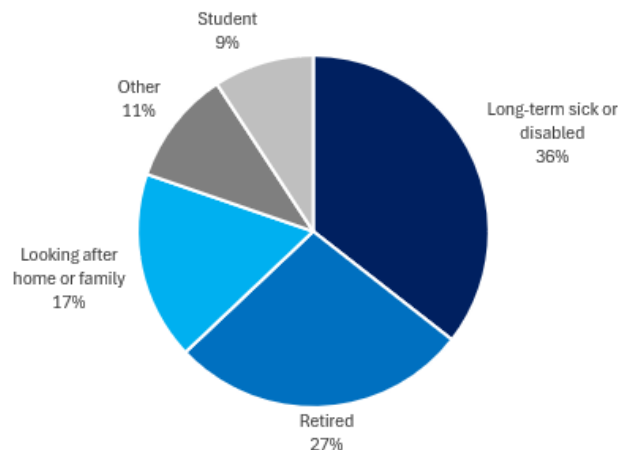
¹⁷ K. Alexander, S. Evans & T. Wilson, *Building opportunity: How social housing can support skills, talent and workforce development* (Institute for Employment Studies/Learning and Work Institute, December 2022).

¹⁸ This analysis uses average or four quarters in 2022 from the LFS microdata.

¹⁹ This uses LFS data for the UK regions for all quarters in 2020-2022.

19. The reasons given for inactivity are also different. Among the wider population the main reason for inactivity is retirement (49%), followed by long term illness/disability (18%), looking after the family/home (13%) and studying (13%). For social tenants, as illustrated in Figure 3.3, there is a much smaller proportion retired and a much larger group who are long-term sick or disabled (36%) or looking after home or family (17%), whereas other and student make up the smallest shares of 11% and 9%.

Figure 3.3 Economic inactivity by reasons, social tenants in Northern Ireland, 2021



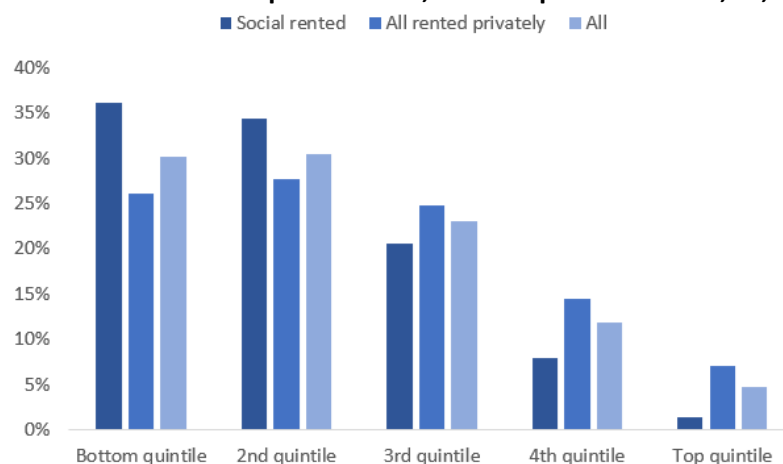
Source: Census 21, UUEPC analysis

20. There is no doubt that the types of disadvantages which weigh negatively on employment prospects and rates are significantly worse for social tenants. These generally include having someone in the household who is long-term sick or disabled and either unavailable to work or needing care by another household member – this can be twice as likely for social tenants as those living in the PRS. The higher proportions of those without qualifications has been highlighted above as has that of the likelihood of being a lone parent household with all the challenges around childcare and transport that can follow.
21. These labour market challenges faced by social tenants also raise an opportunity for social landlords within their role of housing support and management to act as employment support agents. The Institute of Employment Studies research provided evidence that social landlords can play a role in supporting tenants in the employability space and the Trailblazer initiatives to tackle economic inactivity in England and Wales are including place-based approaches using social housing providers. In NI the PROSPER programme, run by Triangle Housing Association, provides support for the economically inactive, to ensure individuals have the skills to find and sustain work as well as enhancing their skills levels including basic and life skills. It helps individuals to achieve accredited qualifications, reduced poverty, and increased health and well-being to achieve employment. The NIHE in its Social Enterprise Strategy has provided support to organisations who come up with projects to improve local communities alongside creating employment opportunities.

3.4. Incomes, benefits and poverty

22. Given the labour market outcomes described above it is not surprising that individuals living in social housing are more likely to be in lower income brackets. Using data from the Family Resources Survey²⁰, Figure 3.4 shows that 36% of social renters fall into the lowest income quintile, compared to 30% of the overall population and 26% of private renters. In the second quintile, 34% of social renters are represented, alongside 27% of private renters, again higher than the 30% average across all individuals. By way of context, in 2023/24, median weekly incomes before housing costs, in Northern Ireland were £250.10 in the lowest quintile and £411.70 in the second quintile.

Figure 3.4: % of individuals in income quintiles BHC, social & private renters, NI, 2017/18-2023/24



Source: Family Resources Survey/HBAI; StatXplore

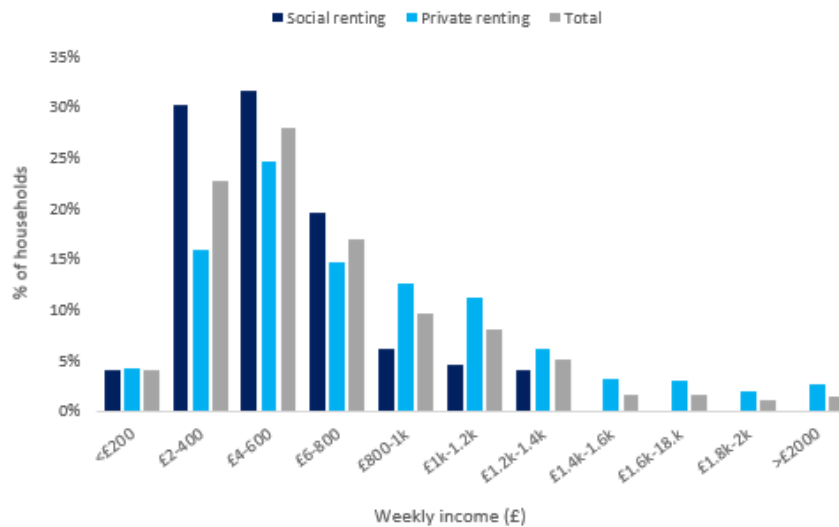
Note: The income quintiles used in the FRS are taken from the UK income distribution.

23. The data on gross household or individual weekly income bands supports the picture of a concentration of social tenants in the lowest income groups. Social renting households make up 14% of total households in NI according to the 2023/24 FRS data. However, they make up 4% of all households with an income of <£200 per week and 30.2% of those with a £200-400 weekly income. Figure 3.5 shows the percentage shares of households by eleven different bands for total weekly incomes in 2023/24, with 6% having incomes of less than £200 per week, 15% of £200-300 and 15.3% of £300-400. The equivalent shares of private renters (20%) and all households (29%) having incomes of <£400 per week are much lower. However, the 24,576 private renter households in the <£400 a week income band supports recent findings that an increasing share of low-income UK households are renting in the PRS.²¹

²⁰ There are criticisms of the FRS for under-reporting benefit receipt – which is of importance to social renters in particular – and incomes in general, some of which prompt interventions in the data; see Department for Communities, *Examining the risk and depth of income poverty for NI households using administrative data* (September 2023), p.48.

²¹ Institute of Fiscal Studies, *Housing affordability and quality for low-income households* (June 2023).

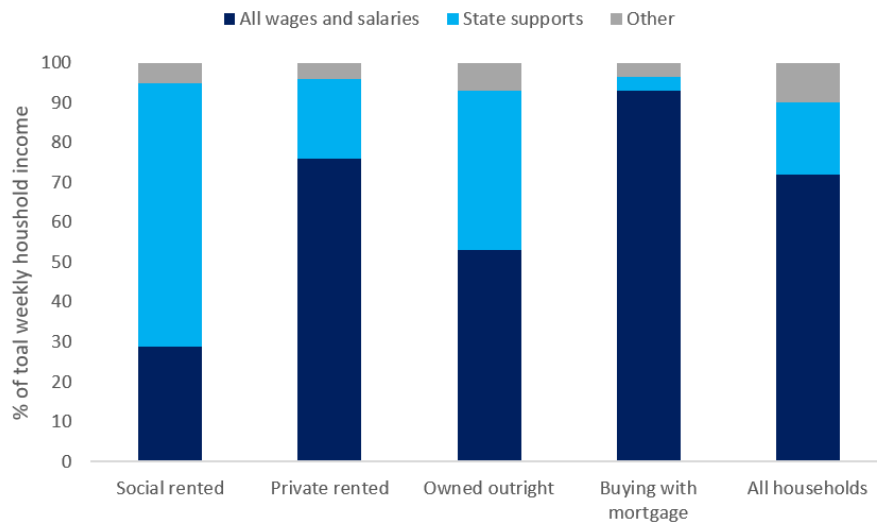
Figure 3.5: Total weekly household incomes by £200 incomes bands, by tenure, NI, 2023/24



Source: Family Resources Survey; StatXplore

24. According to the 2023/24 FRS, around 33,045 social housing households have a weekly income of less than £400. If we apply the FRS estimate that 34% of social renters fall into this income band to the 2021 Census total of social renting households gives a higher figure of 39,950.²² Similarly, applying this share to NIHE-renting households suggests that approximately 38,000 out of 83,000 have a total weekly income below £400 before housing costs.

Figure 3.6: Sources of total weekly household income, social and private renters, NI, 2023/24



Source: Family Resources Survey

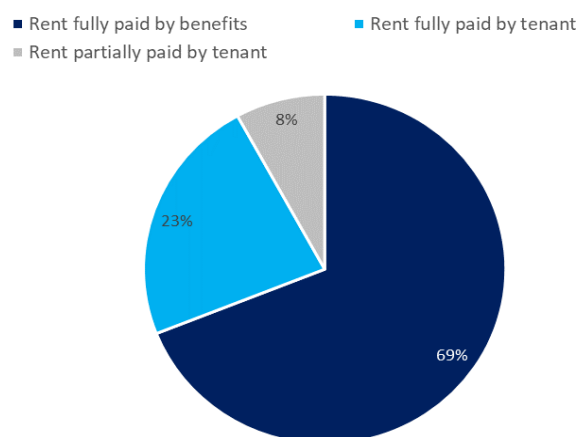
25. Figure 3.6 provides a profile of the typical sources of weekly income by different social tenant groups and households renting in the PRS. The most striking feature is the importance of state

²² The difference here is between 87,000 social renting households in the 2021/22 FRS and 117,500 social renting households in the 2021 Census.

supports to social tenants. Two thirds (66%) of all their income come from various state supports. Compared to PRS and those who own households (whether that be owned outright or by mortgage), where majority of total weekly income comes from wages and salaries.

26. There are several ways that social rents are paid, depending on circumstances of the tenants. 69% of social housing tenants have their rent fully covered by welfare payments (Housing Benefit or Universal Credit Housing Support). Over one fifth of tenants (23%) pay their rent in full without any support from the welfare state. The remaining 9% are eligible for some welfare support towards housing costs and pay therefore remainder of their rent through their income – this category is depicted below as “rent partially paid by tenant”. January 2023 points to 66,780 NIHE tenants in receipt of housing assistance with approximately 56-57,000 having their rent paid in full by benefits.²³

Figure 3.7: Structure of NIHE rent payments, January 2023



Source: Department for Communities, DWP, Professional Services Unit (PSU)

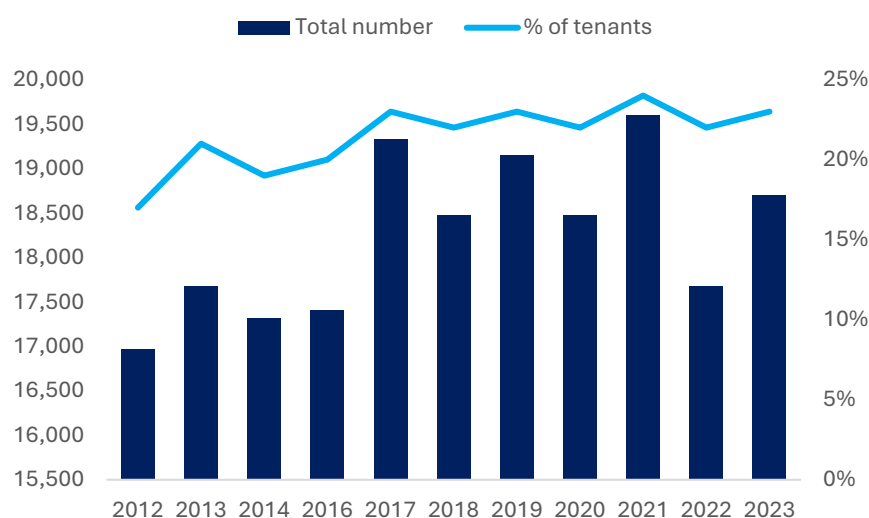
27. Welfare reform has led to two major changes. First, the transition of tenants from Housing Benefits (HB) to Universal Credit (UC) housing support. Benefits data from 2023-24 identifies approximately 40,000 claimants among all social tenants still on HB and 44,820 on UC meaning that analysis of both welfare systems is required to provide a complete overview of recipients. Second the Social Sector Size Criteria (SSSC) or ‘bedroom tax’ was introduced in 2017 and affects the amount of Housing Benefit (HB) or Universal Credit (UC) that social housing tenants can receive. If a tenant is deemed to be under-occupying their home, meaning they have more bedrooms than required, their benefit is reduced by 14% for one extra bedroom or 25% for two or more extra bedrooms.
28. In NI, the impact of the SSSC has been mitigated through the Welfare Supplementary Payment (WSP) scheme. This scheme provides additional financial support to individuals and families adversely affected by SSSC. In 2023/24, a total of 35,780 social tenants received WSP support

²³ Figures supplied by Department for Communities, Professional Services Unit.

to offset SSSC reductions, representing a 4% decrease from 37,390 recipients in 2022/23. Without this migration, the proportion of NIHE households receiving UC with their rent fully paid would fall from 89% to 64%. This implies that 36% of tenants would be required to contribute toward their rent. Pension-age recipients are exempt from SSSC reductions and therefore do not require mitigation. Among NIHE pension-age HB recipients, 81% have their rent fully paid, compared to 94% of working-age recipients.

29. There remains a significant group of social renters who are not in receipt of either HB or UC housing support therefore paying all their housing costs. This group is sometimes referred to as the “full payers” and among NIHE tenants we can estimate from the 2023 CTOS that this includes 23% of the total tenant base or around 18,704 households.²⁴ Figure 3.8 shows the estimates from CTOS of the number of “full payers” and their share of NIHE tenants between 2012 and 2023. The trend had been for an increasing number of ‘full payers’ in the period after 2016 up until a sharp (unexplained) fall in 2022. That has been somewhat recovered in 2023, back to 18,704 “full payers”. As a share of NIHE tenants there has been a six percentage point increase since 2012 in the proportion of tenants that are “full payers”. It is also worth noting that the data has shown not only a sharp increase in 2016 with welfare reform but also volatility on an annual basis since then.

Figure 3.8: Estimated number of ‘full payers’, NIHE tenants, 2012-23



Source: CTOS

30. Additional data from the 2023 CTOS provides more insights on the characteristics of the “full payers” as shown in Table 3.4 over. The combination of good health (or no limiting illness),

²⁴ This estimate is based upon data from the CTOS question which asks household respondent person whether they or any member of their household are ‘in receipt of Housing Benefit’. Universal Credit is also included as a possible answer for this question to capture housing costs paid for under this scheme for working age tenants. Consultation with researchers working on CTOS point to an understanding of respondents that they are answering UC in general which is likely to include payment towards housing costs.

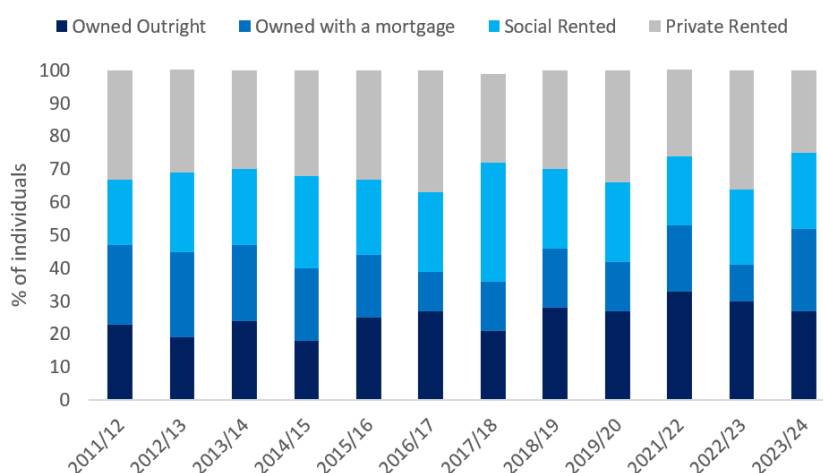
participation in the labour market (full or part-time) and a household composition with two adults resident all point to a higher likelihood of being in the “full payers” group.

Table 3.4 – Characteristics of ‘full payers’ in NIHE households

Characteristics of ‘full payers’ more likely to be in NIHE households
Two adults living in the household or a family unit with two adult residents
Tenants who are in the 25–44-year-old age band.
Someone in the household who is an FE or HE student.
A Household Respondent Person who has no health problems or illness which limits activities.
Adult(s) working either full-time, part-time or self-employed

31. Moving to the question of poverty, the broader context is that the total number of people in NI who were living in relative poverty after housing costs (AHC) in 2023/24 stood at 335,000 or 18% of the total population. Relative poverty rates, before and after housing costs, had been generally declining in NI over the past decade until a rise in 2022/23, no doubt associated with the sharp rise in prices, put a temporary stop to this. The trend line was restored in 2023/24 and means NI is now below the relative poverty levels (21%) for the UK as a whole, most clearly seen in lower child poverty proportions.

Figure 3.9: Composition of those in relative poverty, AHC by tenure, NI, 2011/12 – 2023/24



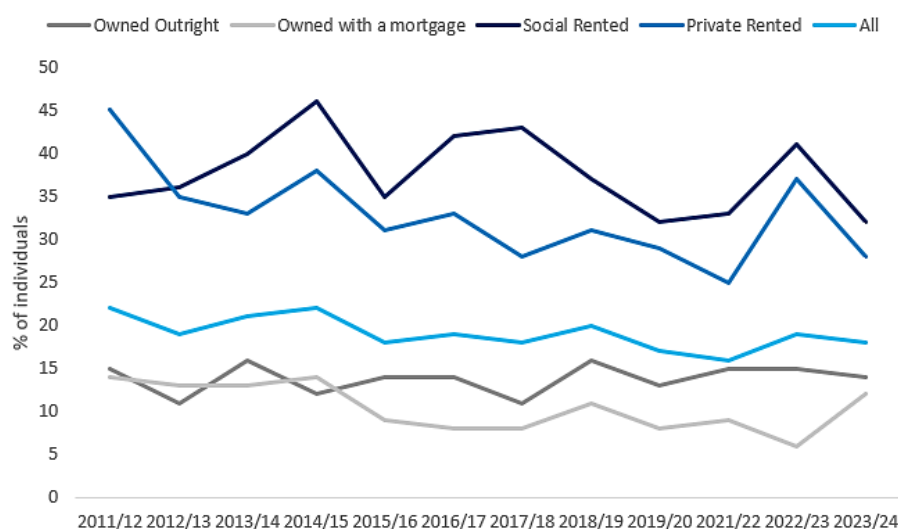
Source: Family Resource Survey

32. Figure 3.9 shows the composition of those in relative poverty AHC by tenure in 2023/24 and those who own their home outright are the largest group (27%). They are followed by homeowners with a mortgage (25%), private renters, (25%) and then social renters accounting for 23%. Over the period around a quarter of those in relative poverty live in social housing, a much higher proportion than the 15% of total households identified in the Census. A further interesting point in this data is that social renters see the largest increase in

composition before and after housing costs are added, from 17% to 23%, compared to 20% to 25% for private renters.

33. Over the decade an average of 24% of those individuals in social housing have been at risk of poverty AHC, even though social housing costs are less than other housing tenures. Looking at the prevalence of relative poverty AHC by tenure group (as shown in Figure 3.9), renters in social housing (or in the private rented sector) are much more likely to be at or below the relative poverty threshold than homeowners. While the overall relative poverty rates have declined over time, this has not happened to the same extent in the social renting tenure, beginning at 35% in 2011/12 and only slightly lower, at 32%, in 2023/24.

Figure 3.9: Prevalence of relative poverty, AHC by tenure, NI, 2011/12 – 2023/24



Source: Family Resource Survey

34. This data also highlights the contribution of housing costs to the risk of an individual being in relative poverty. In 2023/24, 24% of social renters were in relative poverty BHC but this rises sharply to 32% AHC, a larger jump than that for private renters, from 22% BHC to 28% AHC. A final point on prevalence is that the levels of relative poverty tend to be higher among NIHE tenants than HA tenants.
35. Analysis of the Family Resources Survey microdata for 2022-23 allows an identification of those social tenants most likely to be in relative poverty after housing costs. They include those who live in:
 - Households with no full-time working adults;
 - Households with those in work being engaged in part-time rather than full-time work;
 - Households where the working age adults are economically inactive (often with health-related reasons);
 - Households where there is a single adult resident with children; and/or
 - Households with savings of <£1,500.

36. In conclusion, there is a higher prevalence of relative poverty for social renters in general than other tenure groups and the rates of relative poverty increase significantly when housing costs are deducted. The data also suggests that, while low incomes (though worklessness or poor employment outcomes) are the primary driver of relative poverty for social tenants, there is a need to better understand the experience of those households and individuals for whom housing costs are an additional factor, even if these are relatively low to other tenures.

4. Social rents and the affordability of housing

1. Given the purpose of social housing, rents are set at levels below market rates in order to provide accommodation for lower income households. The rents charged by social housing providers have two different elements: the formula or method used to put a price or rent on a property and the annual increase approved by the provider or government regulator. This section sets out how social rents are set in NI, trends in social rents and the affordability impacts of these rent levels.

4.1. Social rents and their levels in Northern Ireland

2. There is no single model for rent setting in social housing and some of the main ones – utility-based, income-based, market-based and cost-based – are detailed in Table 4.1 below. Social rents are not set in a policy vacuum but depend on a host of factors including when the properties were built and what the financing was; the financial viability of social landlords; government policy around stock transfer, regulation of the sector (including rent increases) and the wider relationship between welfare and housing policy.²⁵

Table 4.1: Rent setting models

Utility-based	In the UK, social rents have traditionally been set based on property characteristics (age, quality, number of bedrooms), though since the 1990s there has been variation in how this is applied in England, Scotland and Wales.
Market-based	In England and Wales utility has over-lapped with a market-based system, whereby rents are set relative to local housing market conditions/rents in the PRS. Convergence or national rent setting by formulae, to create transparency and ‘pegging’ to local market rents, was followed in England and Wales until the 2010s under successive New Labour governments. This is now back on the political agenda after a period when reducing social rents and Housing Benefits bill was the driver.
Income-based	In this method the tenant’s ability to pay is paramount rather than management/maintenance costs or property characteristics and local rent levels. Used in Republic of Ireland, where the social housing sector is dominated by local authority providers and a much smaller voluntary Approved Housing Bodies sector.
Cost-based	This operates in a few EU member states (especially Austria and Denmark) and the social rents are set by the housing provider based on the actual ‘cost’ of provision, which would include repayment of loans, insurance and maintenance costs. This system has attracted interest in Ireland given demand for affordable housing and rising rents in the PRS. ²⁶

²⁵ For a good overview of this area see G. Young, A. Orr, K. Gibb, M. Wilcox and D. Redmond, *Review of social rent setting* (DSDNI, 2013), chapter 2.

²⁶ A useful survey can be found in Housing Europe, *Cost-based social rental housing in Europe* (Housing Agency Ireland, 2021) with P. Goldrick-Kelly & M. Taft, *Building a unitary housing market [in Ireland]* (NERI, 2023).

3. Another consideration in setting social rents is whether the costs of the much-needed decarbonisation of social housing stock might be built into future rent levels. In theory, improvements to housing, in particular better energy efficiency meaning warmer homes, should create price premia in the shape of higher house prices or rents that might be charged by landlord, including social landlords. However, the evidence in the case of energy efficiency improvements is mixed, which may be related to data issues. That said, the evidence appears to point to any benefit to the landlord or homeowner only being at the higher end of energy efficiency or housing quality rather than across all stock. In addition, evidence from Denmark also suggests that landlords have low expectations of being able to recoup the costs of improvement through rent increases for low-income households.²⁷
4. Social rents in NI have been the subject of various reviews in 2007, 2013 and 2017²⁸. The system of rent-setting remains a utility-based one with rents for most social housing properties being set via a points-based administrative method devised by the NIHE. This allocates points for each NIHE and pre-1992 HA property based on type of dwelling (eg: terrace or detached), number of rooms, age of the property (and whether it has been upgraded), extent of heating in the house, shared or independent access to a gallery and communal areas (in case of sheltered dwellings) and access to a garage. Points are deducted if amenities, such as hot water) are not available.
5. Newer HA properties let after 1992 or built in more recent years the associations have more leeway to set rents according to the costs associated with construction and their operating costs. Service charges are also levied to cover general maintenance costs but also some administrative overheads and sometimes through comparison with other HAs.
6. Increases in social rents are made annually with the NIHE rent increases needing approval by DfC, while HAs have more flexibility in setting theirs. Both tend to be an inflation-plus type formula, such as CPI + 1% or 2%, following the methods approved for HAs and local authorities in England, Wales or Scotland. The NIHE request is generally screened by the DfC for any equality impacts as well as for any impact it might have on the NI Block Grant, in cases where the request is larger than what has been approved by the UK Government and would have subsequent consequences for benefits payments.²⁹

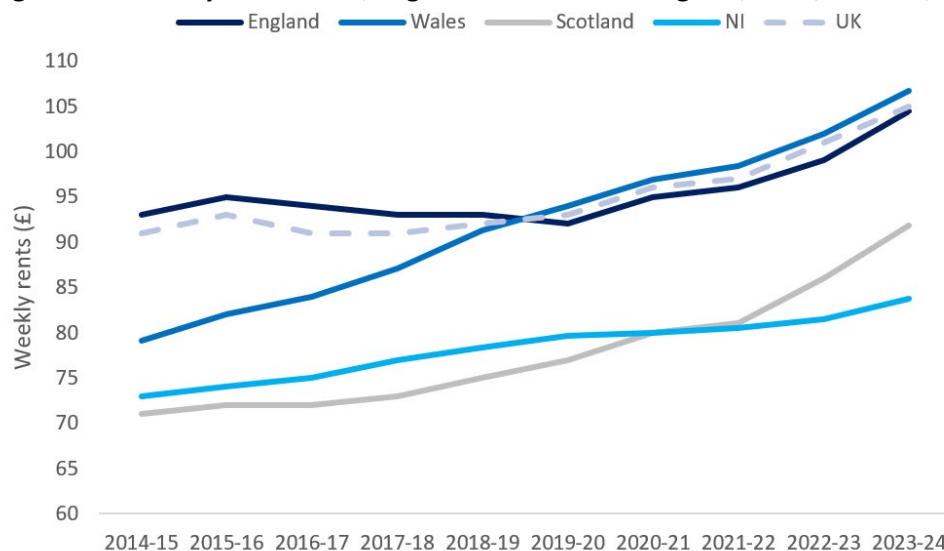
²⁷ H.S Andersen, 'Motives for investment in housing rehabilitation among private landlords under rent control', *Housing Studies*, 13:2 (1998), 177-200.

²⁸ K. Gibb, A. Orr, R. Croudace & M. Littlewood, *Rents review: The pricing of social housing in Northern Ireland* (DSDNI/NIHE, 2007); Young et al (2013); G. Young, S. Wilcox, C. Leishman, S. McCloy, *A review of the affordability of social rents in Northern Ireland* (2017).

²⁹ See, for example, the DfC approval and equality screening of the NIHE request for 2025/2026 at <https://www.communities-ni.gov.uk/publications/nihe-rent-increase-202526-screening>

7. Despite similar methods of setting social rents across the UK there is a variation in median weekly rents. Social rents in NI and the devolved regions have traditionally been lower than the UK average, but this picture has been changing as Figure 4.1 shows. A 35% increase in social rents to £107 in Wales has seen that country overtake social rent levels in England since 2019/20.³⁰ Scotland has seen increases of 29%, twice the level of increases in NI where average social rents increased from £73 to £84. In England the increases have been much smaller (12%) to £104, albeit regions in the south of England have higher social rents such as London where weekly social rents are 38% above the UK average. From Family Resources Survey data for 2022/23 NI is among a group of four regions (with the North-East, Scotland and Yorkshire & the Humber) where weekly social rents are 10% or more below the UK average.

Figure 4.1: Weekly social rents, England and devolved regions, 2014/15-2023/24



Source: UK Housing Review 2024

8. One reason why social rents might be higher in some UK regions than others depend on who the dominant social landlord might be. Rents in public or local authority social housing tend to be lower than those set by HAs, due to a range of factors from age of properties to need to set rents ensuring fiscal sustainability of the different associations. The differentials between HA and local authorities rents range from only 2% in Wales to 15% in Scotland³¹. However, in NI where the NIHE is the dominant social landlord, the differential is closer to 30%, which reflects both an absence of rent convergence between social landlords (as pursued in Wales and England) but also that fact that NIHE rents have increased at a lower rate over the past two decades than local authorities rent across GB. NIHE rents have seen volatile changes in the last decade after a previous one of gradual increases of between 2% and 4% annually with only a 7% increase in 2012-13. Since 2015-16 there have been five years

³⁰ For more detail on social rent policy in Wales see M. Littlewood et al, *Rent Policy Review for Wales* (July 2019).

³¹ These figures exclude service charges paid in rent to Housing Associations.

where rents have been frozen or small increases until the last two increases of around 7% so that rents from April 2025 would be £82 per week.

4.2. Housing affordability in Northern Ireland

9. As the cost of buying or renting a home has run ahead of general inflation and wage growth since 2000 housing affordability has grown into a persistent challenge in many countries.³² Given the focus of this paper it is important to note that these affordability issues are acutely concentrated in particular social groups, including new private renters, first-time buyers facing credit constraints and low-income households.³³ Table 3.2 sets out three widely used measures or metrics for housing affordability which can be equally applied to mortgage or social rent, with all based upon the impact of housing costs on household incomes.

Table 4.2: Measures of Affordability

Housing payment cost to income ratio	This measures the percentage of a household's income spent on rent or mortgage payments. It allows comparison of housing costs across tenures as well as regions and countries and allows policymakers to set a target for housing costs and thus identify households exceeding that proportion. The measure reflects the trade-off renters or homebuyers make between housing choice and affordability, such as opting for a larger home or paying more for a specific location. However, it doesn't account for constraints like credit requirements or deposit sizes, which limit choice, especially since 2008.
'30-40 rule' of cost to income	This measure focuses on the percentage of a household's income spent on rent or mortgage payments within the bottom 40% or bottom two quintiles of the income distribution. By excluding higher income households who may voluntarily spend a large portion of their income on housing for reasons of property size, quality or location, it highlights the housing affordability challenges faced by lower income households, particularly those spending more than 30% of their income on housing.
Residual Income Approaches	This measures whether households have sufficient income left after housing costs . The residual income after housing costs allows comparison against relative and absolute poverty thresholds. This measure is comparable given widely accepted definitions of absolute and relative poverty across OECD countries and is annually reported in the NI poverty data (both before and after housing costs).

10. Statistical definitions of poverty are important to any understanding of housing affordability for low-income households. Relative poverty (any household with an equivalised income³⁴ of <60% of the UK median income after housing costs each year) and absolute poverty (any household with an income which is <60% of the UK median income in a specific year adjusted

³² OECD, *Brick by Brick: Building better housing policies* (2021).

³³ Affordable Housing Commission [UK], *Defining and measuring housing affordability – an alternative approach* (2019); E. Corrigan, K. McQuinn, C. O'Toole & R. Slaymaker, *Exploring affordability in the Irish housing market*, ESRI working paper 593 (June 2018).

³⁴ Equivalised income how household incomes are made equivalent to one another taking into account variations in the size and composition of households in which individuals live. This usually follows the Households Below Average Income methodology where an adult couple with no children is the reference point with a value of 1.

for inflation) are generally used in poverty research in NI³⁵. They have recently been joined by a more granular approach, which identifies different categories of 'poverty depth'³⁶. In addition, there are the useful measures of minimum incomes,³⁷ which can help identify households for whom housing costs can have severe consequences.³⁸

11. At an aggregate level although incomes are lower in NI than in other parts of the UK, housing costs are too, meaning housing seems more affordable than in other places. For example, average house prices in NI in March 2025 were £185,037 or 68% of the UK average, while household incomes were 94% of the UK average.³⁹ In 2024 the ratio of average house price to average household income was 5.0 in NI, which is the lowest of the UK regions. This suggests that NI does not have a housing affordability challenge, at least for the average household who owns their own home.
12. However, there are exceptions to this conclusion and for NI homebuyers the general affordability point has three caveats:
 - House prices have been volatile with surges and falls; for example, the affordability ratio of 9.3 for NI house prices in 2008 was well above the UK level but had halved within three years.
 - Affordability has been deteriorating since the late 2010s as increases in nominal wages (a rise of 46% between 2012 and 2024) have been outstripped by the increases in average house prices (a rise of 85% over the same period). The affordability challenge can be seen in both deposit and repayment indicators and has worsened with the series of interest rate increases which began in 2022.⁴⁰
 - NI has a different pattern across the income distribution meaning that buying a home means different things to different households. In NI higher-income households have a greater degree of housing affordability than lower-income ones, a picture which is different to Scotland and England where the spread of house prices is larger.
13. Rents in the PRS are generally 70% of the UK average according to the Family Resources Survey data, slightly higher than house prices. However, rents in the PRS have risen sharply in NI in recent years, the fastest of any UK region since 2015 which points to declining

³⁵ Department for Communities/NISRA, *Northern Ireland Poverty and Income Inequality* reports available at <https://www.communities-ni.gov.uk/topics/family-resources-survey>

³⁶ The categories of deep poverty, just in poverty and at risk of poverty have been used in the Department for Communities, *Examining the risk and depth of income poverty for NI households using administrative data* (September 2023).

³⁷ N. Smith et al, *A minimum income standard for Northern Ireland* (Joseph Rowntree Foundation, Sep. 2009).

³⁸ See M. Padley, L. Marshall & L. Valadez-Martinez, 'Defining and measuring housing affordability using the Minimum Income Standard', *Housing Studies*, 34.8, (2018), 1307-1329; C. O'Toole, R. Slaymaker et al, *Exploring the short-run implications of the Covid-19 pandemic on affordability in the Irish private rental market*, ESRI research paper 108 (July 2020).

³⁹ NI house Price Index, Quarter 1 2025.

⁴⁰ Ulster University, *Affordability in the private housing market in Northern Ireland in 2018* (2019).

affordability for private tenants. The rising trend in ‘market rents’ or rents charged for new lets has continued into 2025, with an 8.5% annual increase on rents, compared to a 2.8% increase in rents in the UK⁴¹. This ‘market rent’ data can be 15% higher than those charged for existing tenancies according to recent research from the Republic of Ireland⁴². Thus, the affordability problems faced by lower income households in the PRS, especially those seeking new accommodation, are likely to be greater than the official estimates.

14. Using the Family Resources Survey data for social rents the NI levels are 91% of the UK average, much closer to this average than in the PRS or for house prices. Given the trajectory of social rents, especially those in the NIHE over the past decade, the expectation is that they would be quite affordable. When measured as a percentage of median earnings social rents in NI have remained at around 13% of the NI median weekly wage since 2014/15, slightly higher share than Scotland (12%), on a par with England but lower than Wales (15%).
15. This means that, if we use comparable median weekly wages, social rents are affordable as they are below the 25% threshold in 2022/23. Even when we take into account the recent 7% rent increase in 2023/24 for NIHE properties the share of median weekly earnings, as shown in Table 3.3, is 11%. Moving beyond the median to lower percentiles, where many social renters might earn, the shares increase but still remain below the 25% threshold.

Table 4.3: NIHE rents as a proportion of median and lower percentile earnings, NI, 2024

	Earnings	NIHE rent as % of earnings
Median	£666.10	11.1%
10 percentile	£453.60	16.4%
20 percentile	£501.10	14.8%
25 percentile	£520.70	14.3%
30 percentile	£546.00	13.6%

Source: ASHE; NI Housing Statistics; UUEPC analysis

16. Of course, wages are unlikely to be the main source of income for many social tenant households, given the much lower employment rates noted in the previous chapter. Earlier research, which used Family Resources Survey data for 2015/16, found that housing costs were an affordability concern for lower-income families in NI.⁴³ When we use the 2023/24 Family Resource Survey data to show the percentage of household income spent on housing, we find similar issues. For social renters in the lowest income quintile 33.3% of their income

⁴¹ Property Pal, *Northern Ireland Housing Market Update, Q1 2025*, (April 2025); Zoopla, *Rental Market Report June 2025* (June 2025).

⁴² This shows the value of new landlord registration data; R. Slaymaker & E. Shiel, *New and existing tenancies in Ireland: A first look at annual registrations microdata*, ESRI report series no 122 (September 2023).

⁴³ MacFlynn & Wilson, *Housing Provision ... and Poverty*, pp. 22-28. They found that the issues of affordability for lower income households occurred across the social rent and PRS tenures, which remains the case.

is spent on housing and this is still 30% in the second income quintile. In both cases social renters are paying more of their income on housing than is the case for those renting in the PRS or buying a home. Even in the third income quintile social renters are paying 26% of their income on housing costs, lower than the proportion paid by private renters. One point to note is that the social housing costs-to-income ratios have fallen since 2015/16, which does support the view that household incomes have increased at a faster rate than social rent levels.

Figure 4.2: Percentage of household income spent on housing costs, by tenure and income quintiles, NI, 2023/24



Source: Family Resource Survey, 2023-24; UUEPC analysis

Note: The income quintiles are the NI median incomes for each at 2023-24 prices. At quintile 5, social rented sector tenants have a disclosed number

4.3. Social tenant perspectives on rents and arrears

17. The housing affordability measures noted in Table 4.2 are economic approaches which tend to divorce affordability from key questions of choice and housing standards. Choice is considered to be optimal under these measures, meaning that this does not consider that some low-income households may stay in sub-standard housing (conceding space or other attributes) to maintain their current affordability.⁴⁴ The economic approaches also fail to consider the views of social tenants towards their housing. However, tenant perspectives, usually survey-based, can provide a broader view of how people see their housing, including its affordability given their assessment of their own financial condition. Other indicators – such as an ability to keep the home warm, to take a week’s holiday or delaying paying other bills – can be used to bring the tenant’s perspective in.⁴⁵
18. The annual NIHE tenant survey (CTOS) offers insights into the tenant perspective on rent and affordability. The information in CTOS can tell us more on whether tenants are facing difficulties in making rent payments and also provides an assessment by tenants of the value

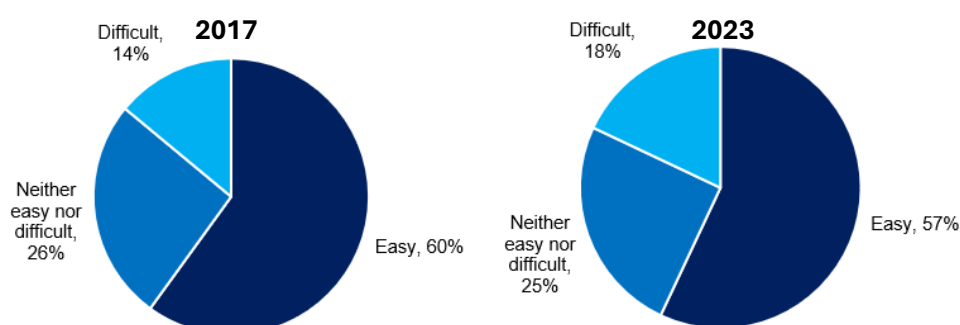
⁴⁴ Meen & Whitehead, *Understanding Affordability*, conclusion; M.E. Stone, ‘What is housing affordability’, *Housing Policy Debate*, 17:1 (2006), 151-84.

⁴⁵ S. Green et al, *How affordable is affordable housing?*, Sheffield Hallam University (Autumn 2016).

of the rents they pay and how they might react to increases in rent. In the 2023 CTOS only 6% of all NIHE tenants replied 'yes' when asked if they had any difficulties making rent in the previous 12 months. Nearly a third (31%) of respondents replied 'no' to the same question and the other 63% either had their rent fully paid by Housing Benefit or Universal Credit housing support. Two types of households – those with larger families or more than two children and those headed by lone parents – had higher proportions (15% and 10% respectively) having rent difficulties than the overall sample.

19. For this paper we followed the example of the 2017 review of NI rents⁴⁶ and asked three additional questions in CTOS to assess attitudes of tenants to their current and future rent levels. For this paper a total of 221 respondents replied that they paid some or all of their rent (34% of the total sample), which includes 'full payers' (25%) and tenants whose housing support does not cover their full rent (9%). As Figure 4.3 shows the results in 2023 had not changed much from 2017: 57% said that it was 'easy' for their household to afford their current rent, 25% said 'neither easy nor difficult' and 18% said it was 'difficult'. Looking at the geography of the responses, a higher share of Belfast-based respondents were likely to find it 'difficult' to pay than elsewhere in NI.

Figure 4.3: Affordability of rent, CTOS Survey, 2017 and 2023

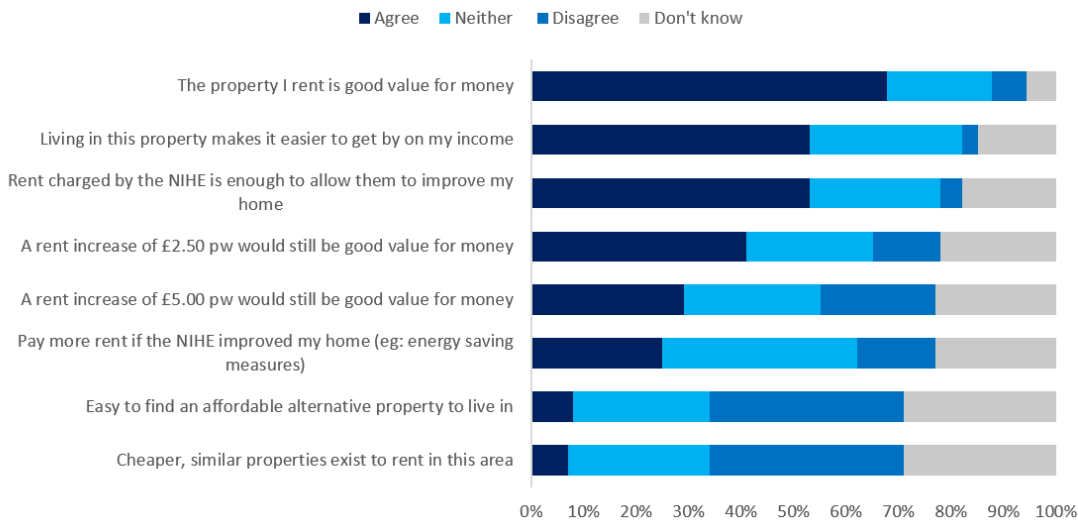


Source: CTOS survey wave 2 2021; UUEPC analysis

20. When asked whether their current rent was good value 68% of all tenants said yes and even 45% of those paying their rent in full or part agreed. As Figure 4.4 shows, the shares agreeing with this fall to 41% and then 29% with rent increases of £2.50 or £5 weekly. Even so, those who disagree only reaches 22% on a £5 weekly increase and this only rises to 29% for those paying something towards their rent. Figure 4.4 also shows that the tenants' view of their rent may be shaped by a belief that it allows a majority to 'get by' more easily (53% agree) and that there are few affordable alternatives (37% thought this).

⁴⁶ The 2017 report included a larger series of questions about incomes, changes in these, ability to make rent, financial management associated with paying rent, and actions that would have to be taken to meet rent increases.

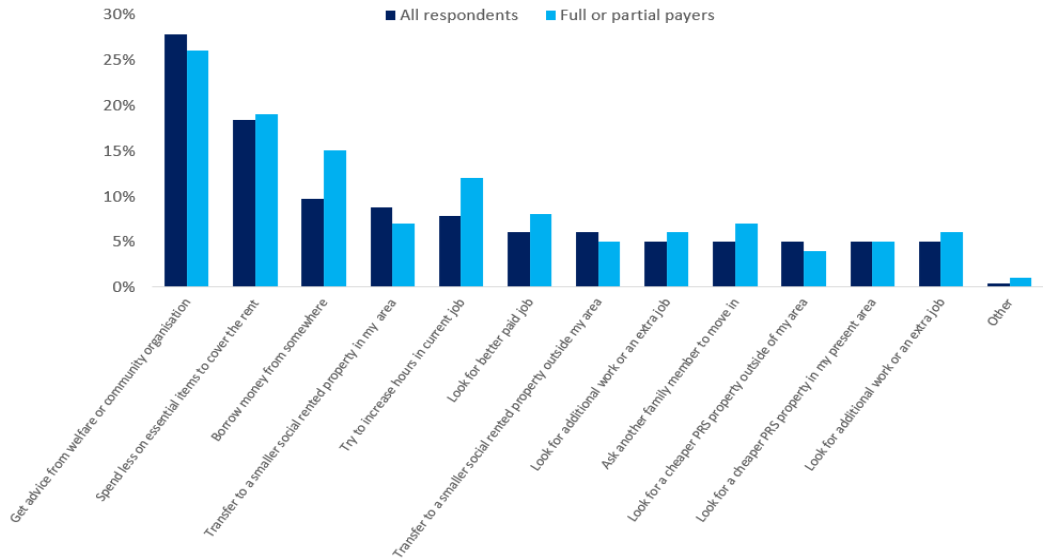
Figure 4.4: Attitudes to rental value, improvements and affordability elsewhere, NIHE tenants, Q2 2023



Source: CTOS, wave 2 2023; UUEPC analysis

21. The full sample was asked what they might do if there was an increase in their current rent. The most popular choice – chosen by 28% in Figure 4.5 – was to look for advice from welfare or community organisations, highlighting the importance of assistance. The second choice was to cut back spending on other essential goods and services (18%) with half as many choosing borrowing. Fewer respondents regarded the options around increasing hours or pay in work as popular ones, with those who are paying in part or in full towards their rent more likely to do this but not at significantly higher levels. Finally, few (6%) chose an option of moving to a smaller social dwelling or cheaper PRS property, perhaps reflecting a perspective on how difficult that is.

Figure 4.5: Possible behaviours in response to increases in rent, NIHE tenants, Q2 2023

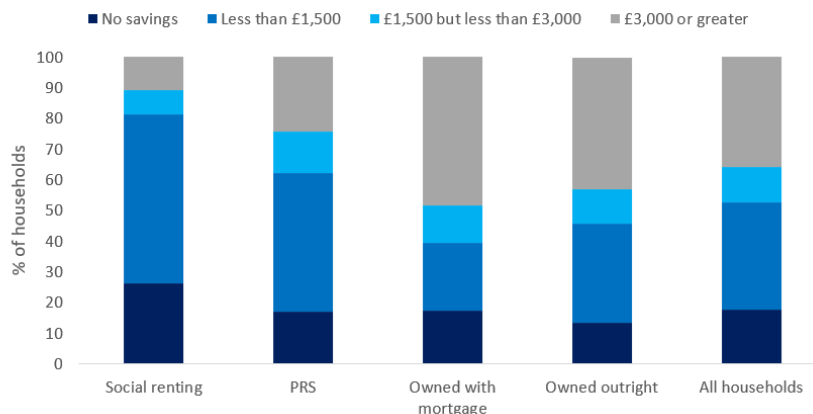


Source: CTOS wave 2 2023; UUEPC analysis

Note: Respondents could choose more than one option so the totals will be more than 100%.

22. A factor that influences financial positions is whether you have a buffer (eg: savings) against increases of expenditure. When it comes to savings Figure 4.6 shows how 11% social renters had savings of more than £3,000 compared to 36% of all households, with 25% of social rents having no savings at all. Data from the Family Resources Survey suggests that the proportion of social tenants with no savings has been climbing slightly over time suggesting that ‘getting by’ is not something to be relied on.

Figure 4.6: Amount of savings per household, by tenure, 2023/24



Source: Family Resources Survey

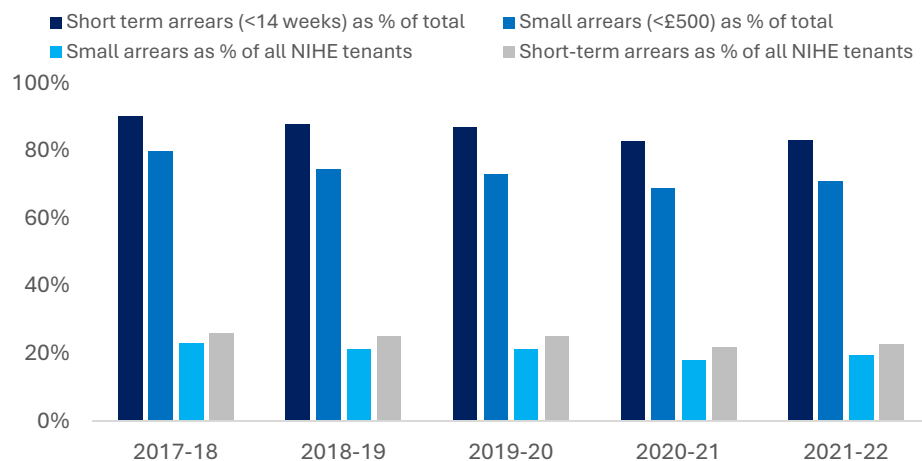
23. This lack of savings has been identified as a driver of rent arrears for social tenants, even in cases where their landlord has sought to support them. Unexpected financial events can be the point-in-time cause of falling into arrears, but these events tend to interact with the ability to budget and manage finances, and a prioritisation of other expenditure.⁴⁷ This tends to reflect research completed for the NIHE which pointed to both unexpected and expected events (Christmas, holidays, etc) being a cause of arrears, as well as general difficulties in managing money (some of this a result of financial literacy challenges).⁴⁸
24. The NIHE data on rent arrears shows that these have fallen (in both nominal and real terms) in a period when rents have not increased sharply. In 2002/03 annual NIHE rent arrears stood at £18.9 million (or 6.9% of the total collectable) and, by 2021-22, this had fallen to £18.1 million (or 5.3%). Since 2016/17 an average of 23,500 NIHE tenant households (28% of the total⁴⁹) have been in rent arrears, slightly below that in the most recent year of data, 2021/22. As Figure 4.7 over shows, most households (two thirds) have smaller (<£500) or short-term (<14 weeks) arrears. Less than 3,800 households owed more than £1,000 (or greater than 14 weeks) with only 500 owing a year or more’s rent in 2021-22.

⁴⁷ T. Manzi & E. Bimpson, ‘Drivers of rent arrears in social housing: An evidence review’, Sheffield Hallam University research paper, August 2022.

⁴⁸ NIHE, *Improving rent arrears collection* (2019), online at <https://www.nihe.gov.uk/getattachment/730c7bf7-8378-4206-9f96-8b8d943c7838/findings-PP-improvingRAC-final.pdf>

⁴⁹ This is a lower percentage than that in Wales where around a third of local authority tenants – 35% in 2021-22 – have rent arrears.

Figure 4.7: NIHE rent arrears profile, 2017/18 to 2021/22



Source: NIHE; UUEPC analysis

25. In general housing affordability is better in NI than elsewhere in the UK or the island of Ireland. However, it is a worsening picture in recent years (almost certainly linked to a lack of supply across all tenure types). As for social rents, these are lower in NI than those charged by social landlords in other parts of the UK. And for most social tenants around 13% of their household income goes on housing costs, though many will have this paid by benefits. This helps explain why a strong majority of all social tenants, or at least those surveyed by the NIHE, regard their current rent as good value. This falls below the 50% mark for those NIHE tenants who pay their rent in full or in part

5. Conclusions

1. This briefing paper is intended to offer an overview of the social housing landscape in Northern Ireland and reflect what it is needed by the people and households living in the sector. The paper draws on a wide range of data sources to explore provision, the characteristics of tenants, and the trends around social rents and their affordability. The findings highlight the essential role that social housing continues to play in supporting some of the most vulnerable in society while also underlining the structural challenges that exist.
2. This paper identifies the different social housing models operating in NI, when compared to GB or the Republic of Ireland. The prominence of the NIHE as the largest social landlord by far and the regional housing body means that, while HAs have increased their importance since the 2000s, they remain small. Even with the decline in social housing stock the social landlords still offer 15% of total housing stock to approximately 117,500 households. And they are under significant strain as demand far outstrips supply, with over 48,000 households on the waiting list for a social house, furthermore only 17% of applicants received allocations in 2023-24. Past performance, of fewer than 900 completions per year between 2015 and 2024, suggests the 2,200 annual targets set in the Housing Supply Strategy 2024-2039 will prove difficult to reach at current levels of activity.
3. Housing is widely recognised as a key social determinant of both health and educational outcomes and it is important to note how the profile of social tenants highlights the greater challenges in their health and education outcomes when compared to other housing tenures. The profile also highlights how one of the most pressing issues for social renters is their lower labour market participation rates. According to Census 2021 data, the employment rate for individuals living in social housing was just 30.1%, compared to 56.8% for the general population. This disparity can have far-reaching implications for economic inclusion and social mobility.
4. The profile also points to low incomes as a key driver of poverty rates among social tenants, but also that housing costs play a role. This is the case even as social rents in NI are lower than those charged in other UK regions, at 10% below the UK average. The picture is similar when we compare social rents as a proportion of median earnings. It is clear that typically NI social renter households, as across the UK, pay well below the 25% affordability threshold. However, affordability challenges do exist for some low-income households in social housing (in the lowest two income quintiles) and with around a quarter of social tenants having no savings, their finances can be precarious in the face of any shocks.
5. Social housing in Northern Ireland is now at a critical point as it continues to be a vital lifeline for thousands of households. It is facing funding and construction capacity pressures that demand urgent attention, while the social and economic issues faced by social tenants also need to be addressed to ensure a sustainable sector into the future.

About UUEPC

UUEPC is an independent research centre focused on producing evidence-based research to inform policy development and implementation. It engages with all organisations that have an interest in enhancing the Northern Ireland economy. The UUEPC's work is relevant to Government, business and the wider public with the aim of engaging those who may previously have been disengaged from economic debate.

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