



ASCENT DEVELOPMENT MANAGEMENT

Northern Ireland Development Market

Quarterly Briefing
Q1 2026





Introduction

In our first of a series of quarterly briefing notes for 2026, we are going to look at three themes observed in the property development market in Northern Ireland impacting both residential and commercial elements, and how best to navigate a route through it.

Key Themes – Q1 2026

1. NI Water
2. Land Price Adjustment
3. Skills Gap in NI

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1. Northern Ireland Water

northern ireland
water



Delivering what matters

Undoubtedly, the main destabilising factor facing the development market in Northern Ireland is the issue of years worth of underinvestment in the NI Water infrastructure.

Many column inches have been written on this, but from the top of the industry to boots on the ground, **brave leadership and a sensible funding programme is needed – and quickly.**

1.1. Voluntary developer contributions introduced

On the 19th March 2026, the Consultation Responses Report: Developer Contributions for Wastewater Infrastructure was released ([Link](#)). While the voluntary levy appears to be introduced (subject to new laws) what is confusing for us is that the levy implementation appears to be the opposite of the key outcomes stated in the same Dept of Infrastructure report.

“These results reflect the fact that most (88, 86%) of the template responses (which make up more than a third of the total 293 responses received) said they did not support the introduction of developer contributions. The remaining 14% of template responses supported voluntary contributions only.” ([Link](#))



The report continues regarding the pathway for developer contributions being introduced with principal reasons against shared as follows;

1. Doubts whether developer contributions would raise sufficient funds to close – or even bridge – the wastewater infrastructure funding gap.
2. Developer contributions may negatively impact development and the delivery of housing supply, making developments unviable by increasing developers' costs and house prices.
3. Introducing developer contributions could encourage developers to focus on building in higher value locations, progress fewer developments in rural areas and build fewer social or affordable homes.
4. It is unfair for new home buyers/ renters alone to pay for wastewater infrastructure upgrades.



This seems a worrying step taken by the Dept of Infrastructure and contrary to their own survey results and how respondents see the impact of developer contributions impacting the sector.

Drilling into the details of the survey, one key stat we observed was that “Developers” – including organisations providing goods and services to developers, made up a whopping 79% of all respondents – the very cohort being relied upon to both supply much needed housing, but also be burdened with more of the costs now voluntary contributions are being tabled. This seems illogical.

When or if contributions move from voluntary to compulsory has not been ruled out by the Dept of Infrastructure, adding notable uncertainty for all projects awaiting decisions from NI Water and the Dept.

The report concluded that there was, “a lot of opposition to the option of a compulsory levy and many respondents commented that if this option was to be taken forward, a lot more detail and consultation on specific proposals would be needed.”

Based on this – are we likely to see a Judicial Reviews of this decision??

The one plus we can maybe forecast with a transition to compulsory contributions is that it makes it a **level playing field for costs**, much like the 20% social and affordable quota for new developments which if implemented, **will overnight alter land prices** which we speak to later in this bulletin. (Next section)

In our opinion, better decisions need to come from leaders in Westminster, locally in the NI Executive, and the Department of Infrastructure working closely with the



industry, listening, and responding to what has been voiced via the consultation.

As a viable alternative, progress has been made to date on a more viable sustainable funding solution, and we tend to agree with the Construction Employers Federation & Wastewater Infrastructure Group recommendation that NI households contribute a means tested £1.25 / week via a progressive Infrastructure Levy payable through the rates system.

This proposal also offers additional flexibility on this figure based on house prices. This seems pretty fair for all. [\(Link\)](#)

This direct funding will help unlock jobs, provide new housing and development, and benefit the environment by reducing and hopefully stopping the discharge overflow of raw sewage into our loughs and waterways as the investment in the system takes effect.

Win win all round.

The position of the Minister for Infrastructure Ms Liz Kimmins MLA seems to have softened of late from that of categorically ruling out water charges, to now noting,

"Any decision to apply an additional levy to rates bills would be a cross-cutting matter to be considered by the executive, and substantive changes would need to be made to rating legislation and the rating administration system in respect of such a change". [\(Link\)](#) So this option still looks alive.



*The next step in this journey, **despite the majority objecting from the Dept survey**, appears to be with voluntary contributions from developers – testing the water. While not favourable, and possibly subject to judicial review, it starts answering where some of the money will come from to invest in the NI Water network and start addressing the task in hand*



1.2. £5bn pipeline could stall

While the debate continues, and the draft NI Water five year plan and £3.5billion draft budget will soon to be submitted to the Utility Regulator, [\(Link\)](#), development in most forms in our opinion will either remain on hold or move very slowly. Until a more robust source of funding and plan is agreed alongside voluntary developer contributions now being introduced, addressing the NI Water issue remains pivotal.

As a quick test on current activity, the Belfast Crane Survey 2026 as tracked by Deloitte, [\(Link\)](#) “The Belfast Crane Survey recorded 15 developments across the city centre during 2025 including five new starts. This represents the lowest level of active developments and lowest equal (with last year) new starts in the city centre since the Belfast Crane Survey was first published in 2016.”

Drawing a line between NI Water and major new projects, in our opinion it would appear the market has this uncertainty “baked in” amongst other variables of course, and demonstrates the NI Water issue is slowing and stalling projects. Looking ahead, it appears this will continue as development costs – now increasing via new voluntary developer contributions - are going to add **further uncertainty on viability & profitability of projects.**

To emphasise this point, £5bn of multi sector development pipeline has been announced on a world stage at MIPIM, and a delegation positioning Belfast to be *agile and investor ready* is championing the opportunity [\(Link\)](#)

This is exactly where Belfast needs to be and be confident in what can be done.



Yet - the pressure to deliver on this pipeline will increase the longer the NI Water issues remains unresolved and places an added importance on key decisions. **Belfast and NI reputation, and billions worth in projects are now on the line.** Against a backdrop of current slowdown of activity drawing on the Deloitte Crane Survey, the boots on the ground, and decisions in the boardrooms explains a very different Belfast story.

As NI remains the only part of the UK now not charging for water; we watch closely to see the next set of decisions being taken by the Dept of Infrastructure and the Executive to address the NI Water issues and how long the penalty of inactivity can be endured.



1.3. Nimble decision making

Fear not, as the show keeps moving on.

To keep projects moving with Clients with the backdrop of NI Water, we are working to maximise the current capacity on offer within the system and working with NI Water and NIEA to find solutions. We are focusing on where there are pockets of capacity in the NI Water network for smaller scale viability, and making sure this is one of the first items to investigate whilst running an initial appraisal on projects. The quick review is proving very valuable to clients before journeying onto more detailed investigations.

If you have a site or project in mind and need to know some options to keep matters moving, contact us to arrange an informal meeting.

[\(Get in touch\)](#)

2. Land Price Adjustment

As we observe annual NI Housing All Market house price increases of 6.4%, and New Home House Prices increase of 5.2% as reported by PropertyPal.com (Q1-Q4 2025, Prop Pal), [\(Link\)](#) together with RICS Residential Market Survey Feb 26 forecasting positive NI Price & Sales Expectations over the next three months of 79% & 33% [\(Link\)](#)- the metrics and sentiment outlook appears positive.

While the PropertyPal.com results share key regional sales figures, volumes and location metrics, important when

considering the granular detail, looking closer at the RICS data in comparison to all other regions in the UK sets NI and Scotland out as notable outliers.

Other regions across the board are showing predominantly negative expectations for Price & Sales over the next three months, with any positive figures in these regions being at best single digit percentages. Looking at the data, in our opinion there is a lag time before a possible downside in for NI and Scotland in line with other UK regions in our opinion.



“With the NI Water impact biting, the markers are not encouraging for land prices increasing in NI. “



2.1. Build Costs



Build costs increasing annually 2.8% in Q1 2026 (BCIS All-in Tender Price Index) [\(Link\)](#) will quickly eat into any positive growth in prices, and as costs are forecast to increase by 15% over the next five years [\(Link\)](#) the short and medium term outlook appears to show we are on course for these lines to cross on certain projects.

Coupled with new costs in voluntary developer contributions to NI Water, increases in utility connection charges, finance costs, wage inflation and the impact globally from the Iran War and commodity price volatility, to ensure reasonable viability & profitability it is our

opinion that land pricing increasingly needs to take some of the strain.

Speaking to peers in the NI industry, the costs have in instances now crossed, making small to medium projects unviable. £100k cost provides £95k capital value in very basic terms. Developer returns have long been set at 15% profit on costs. With wafer thin margins and viability of projects always in question, there is a reluctance in adjusting this percentage given the many unknowns faced despite best planning and experience, so projects may slow & stall and decisions take longer.

2.2. Landowners to react

Prudent land owners may look ahead and see the writing on the wall, therefore [taking 95% of land value today, might be a better option that 85% of land value tomorrow as costs start outpacing prices.](#)

Add to this the potential now for compulsory contributions towards NI Water being implemented as a further cost, in our experience running appraisals, and checking profitability - [the land price will notably start standing out as making projects unviable.](#)



Strangely, one saving variable for some projects is regrettably the supply of new housing. This looks set to decline further in NI, with a 30% reduction on new housing starts from Q4 24 to Q4 25 according to most recent figures released by Department of Finance [\(Link\)](#).

As a basic economic principle, low supply + high demand = higher pricing. Some land owners & developers may choose to slow down or mothball projects, thus further limiting the supply of housing already forecast to reduce, but in doing so help hold up house prices in certain cases.

[Only time will tell now how parties react to the changing cost variable as we observe the information being reported on new house starts and completions, and how this impacts land pricing](#)



2.3. Cost outlook

We anticipate costs will increase with more certainty than values and the much talked about update of the Building Regulations (NI) 2012 takes effect. While increasing standards, will also increase costs. Moving towards enhanced building standards in line with England under the Building Safety Act 2022 will have an impact to costs as well.

Voluntary developer contributions for NI Water as previously discussed will likely be added to appraisals and budgets as developers provision for this cost.

It will be interesting to see the range of market commentaries being issued to try and explain the depth and extent of the impacts.

Nervousness on growth due to the War in Iran has now been captured in our opinion and the market is spooked consistently due to the almost daily fluctuations in oil prices and expectations as to how long the war will take. It is too early to state if this is a short term blip in the grand scheme of things, or it will be a more sustainable impact to costs and supply chains.

Direction of travel in our opinion is that it will likely have a negative impact and key industries are preparing for this price shock and uncertainty, all the way through to the development industry in Northern Ireland. Lessons learned following the War in Ukraine being key.

As an immediate bench mark showing the costs impact in NI, and the factors behind it, the RICS UK Construction Monitor Q4 2025 ([Link](#)) - Profit Margins 12 month Expectation by Region; NI is the only region in the last quarter where the percentages are in decline from Q3 -15% to Q4 -27.5% - indicting where the market forecasts profitability is headed. It appears we have a lead time in this instance.

In summation, Land prices are not going to fall off a cliff, but the cost squeeze needs to go somewhere and to keep an industry moving, more likely, land values are going to take the strain.

2.4. Selective on Sites

Despite these challenges, we have four active requirements across NI, so there is still appetite to source and review viability of projects. Investors are naturally even more keen to understand the detail on viability & profitability; a role we are playing showing scenarios where projects move from viable to unviable and items moving the needle. More likely the pressure is on land values as sales values look frothy, and from this, prompts informed decision making.

If you have a project in mind and want an opinion on viability midst all the variables, please do get in touch ([Get in touch](#))



3. Skills Gap in NI



Being on sites and talking with architects, quantity surveyors and contractors on the challenges faced; the skills shortage is becoming more and more of an issue and impacting costs and construction output in NI.

As with so many things, it comes down to cash; so little surprise that skilled workers are voting with their feet.

Get a flight early on a Monday or Tuesday morning from Belfast International or George Best Belfast City, and you can observe teams from some of the biggest contractors in NI traveling directly to sites all over the UK. This extends to weekends as well and the other end of the scale. Speaking to a smaller contractor based in NI with a long-established client, the client found it notably more viable for a team of three to travel and stay in London for a one day job, versus the client seeking a local London contractor. The opportunities are there across the industry it would appear.

A large majority of these skilled workers will readily share they would prefer to work in NI, but the draw to work, and higher margin work is more compelling and regrettably, this will impact on productivity in NI.

You can't blame folks for being commercial at the end of the day.

The secondary impact on the construction sector in NI is that with the increasing skills shortage, the domestic market is seeing an upward trend in wage inflation, as generally older and more experienced workers command a premium price.

In the competition for resource, all these factors go to the bottom line and directly impact viability of projects, hence land pricing, as a major cost item, needs to take some strain as previously noted.

While encouraging to see the efforts made by industry bodies, collages, and indeed contractors to open the doors for apprenticeships in NI, the uptake needs to be quite high to bridge the shortfall and provide a steady supply of experienced construction industry professionals. And of course, the projects need to be there...

At the minute and looking ahead, we are simply not seeing the experience come through the system in NI fast enough and thus, the brain & brawn drain looks set to continue as skilled workers vote with their feet.



3.1. Preparation and Management

Even with these challenges, what we have observed and discussed with clients is the importance of site selection and project management ahead of the skills challenge. De-risking sites by setting up a design team – Day 1 - with professionalism and discipline goes a long way to giving confidence and direction to a contractor or skilled workers down the line who are now increasingly selective in their work.

We are finding it makes for an easier approach to both explain to clients and engage with contractors when these fundamentals are professionally managed and promotes positive collaboration from the start. It does not solve completely the skills shortage and competition for labour and *we cant magic the figures* - but it helps manage the information flow and complete in a different way. Its back to basics, but stresses the importance of examples like the RIBA Plan of Work alongside clear and collaborative contracting.

If you have projects in mind or about to commence works, please get in touch for a short discussion to find ways in which we can help or provide a fresh look on things ([Get in touch](#))



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4. In conclusion

The influences of NI Water, Land Price Adjustment, and the Skills Gap in NI, play a significant part towards viability & profitability for projects. With uncertainty across all three, close management and correct decision making has become even more critical.

The NI Water issue we believe is the largest problem but certainly fixable. With voluntary contributions from developers & £5bn of a pipeline now announced, the conversion rate from concept to commencement will be a key stat to follow. We watch to see the implementation of developer contributions & cranes popping up across the Belfast skyline in the quarters to come.

Land pricing, or indeed the expectations of land pricing needs to adjust. The pressure has nowhere else to go in our opinion otherwise the capital will move on and the opportunity will be lost. If costs are set to increase with more certainty than sales & capital values, land owners may find that the pressure is going to come their way and land values may in cases begin to be chipped away.

The skills gap in NI we anticipate will keep looking across the Irish sea for better margin work, while those in NI can be more selective on work they bid for. To complete, setting up Day 1 demonstrating professionalism and discipline goes a long way and must not be overlooked.

In the meantime, the NI development industry stumbles along rather than producing, employing, and training efficiently and stalling; genuinely this is hard to watch.

			
New Jobs	Business Investment	New Housing	Water Quality

All in all, the challenges are large and complex, but fixable and actions stemming from Westminster, locally in the NI Executive, and the Department of Infrastructure will be key.

With four active requirements across NI (Appendix I) there are still investors and developers out there, but the hunt for value and profitability moves up another gear and looks set to continue trending this way now voluntary developer contributions are on the radar.

Having clear advice continues to be key to plot a path ahead, aid good decision making and keep things moving forward.

Written by David Wilson, Development Director

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Option 1 – Residential Development - 📍 Across Northern Ireland | Scale: 2–200 plots

Option 2 – Large-Scale Residential - 📍 Belfast + surrounding areas | Scale: 200–1,000 plots

Option 3 – Causeway Coast & Glens - 📍 Ballycastle, Bushmills, Portrush, Portstewart, Castlerock | Scale: Up to 50 plots

Option 4 – Student / Co-Living / BTR - 📍 Belfast & Derry City Centres | Pre-planning or planning approved | Scale: c.150+ units



Option 1 – Residential Development

- Location - Across NI
- Preferred Criteria, however not essential
- Numbers - 2 - 200 plots
- Planning Approved (with min 6 months before expiry)
- Positive NI Water approvals, copy Pre Development Enquiry (PDE), Wastewater Impact Assessment (WWIA) and/or Odour Assessments to be shared
- Type - Greenfield / Brownfield will be considered
- Purchase options to be discussed on a case by case basis.

If however you have land that has the potential to deliver new housing, but not sure where to start - or have the time to look into it - please get in touch to understand the steps we can take to release value.

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Option 2 - Residential Development


- Location - Belfast, Belfast commuter belt, South east antrim, North down & Peninsula, Lisburn, Derry/Londonderry, Omagh, Enniskillen, Armagh, Newry, Ballymena
- Preferred Criteria, however not essential
- Numbers - 200 - 1000 plots
- Planning Approved (with min 6 months before expiry)
- Positive NI Water approvals, copy Pre Development Enquiry (PDE), Wastewater Impact Assessment (WWIA) and/or Odour Assessments to be shared.
- Infrastructure agreements regarding Water, Roads, T&E, Water, Utilities (Water, Gas, Comms, Electricity), Sub Stations etc and any retaining elements to be shared.
- Type - Greenfield / Brownfield will be considered
- Joint Venture with Landowner may be considered
- Purchase options to be discussed on a case by case basis.

If however you are not in a position to share details, we can help provide a site specific strategic programme to understand the viability and potential of the lands in question.

A regionally significant major development on this scale will require careful coordination, possibly land amalgamation / neighbour agreements, and a comprehensive planning application.

We can journey this with you and our clients and guide towards key outcomes needed.

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Option 3 - Specific Requirement – Causeway Coast & Glens

- Location - Ballycastle, Bushmills, Portballintrae, Portrush, Portstewart, Castlerock
- Preferred Criteria, however not essential
- Numbers - up to 50 plots
- Planning Approved (with min 6 months before expiry)
- Positive NI Water approvals, copy Pre Development Enquiry (PDE), Wastewater Impact Assessment (WWIA) and/or Odour Assessments to be shared.
- Type - Greenfield / Brownfield will be considered
- Purchase options to be discussed on a case by case basis.

Noting this as a specific requirement for Northern Ireland, if you have land that has the potential to deliver this volume of housing, or in these locations but are unsure where the first step is, please get in touch to discuss options that you may consider.

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Option 4 – Student / Co Living / BTR

- Location - Belfast City Centre, Derry / Londonderry City Centre
- Preferred Criteria - viable land in pre planning position, or with planning approved
- Numbers - c.150 units plus to achieve industry benchmark economies of scale, however each option will be reviewed on a case by case basis.
- Type - Greenfield / Brownfield will be considered, also properties that may lend themselves to renovation or refurbishment.
- Sharing floor plans in either pdf or dwg format, will speed up the review process.

This option would likely involve carrying out a feasibility study on your land / building to gauge if a commercial residential use is a viable option to then pursue via a planning application.

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Option 5 – Project Management & Structured Exit

Any projects proposed will be treated on a strictly confidential basis.

All projects considered will be assessed through an initial desktop and viability review, together with a site inspection to gain a full understanding of the associated challenges.

Potential options may range from short-term project management advice to agreement to complete the project or proceed with a structured handover and sale to third parties.

Each project will be treated on a case by case basis.



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David founded Ascent Development Management following twenty years of industry experience. As a Chartered Surveyor (MRICS), David has held development management roles in Strand Homes, Crosslane and MRP, and was a Senior Surveyor within the Specialist Property Group in Bank of Ireland.

David is also a committee member of Shore Street Presbyterian Church, Donaghadee taking an active role in the property team.

Away from work, David is married and has two children. When time allows he runs the odd 10k, leads a discipleship group, and has recently taken up sailing. He is also a fan of podcasts, particular favourites being "The Rest is History" and "No Dumb Questions"

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