



ASCENT DEVELOPMENT MANAGEMENT

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# Northern Ireland Development Market

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Quarterly Briefing  
Q3 2026



Welcome - In our third briefing note for 2026, we continue to look into three themes influencing the residential and commercial property development market in Northern Ireland. Our three pronged approach addressed key topics for the quarter; but also forecasting into 2027.

While there are pockets of positive news, progress on meaningful infrastructure investment now appears to be going backwards as final budgets are delayed, all the while the very stability of the Northern Ireland Executive has now been exposed by recent events. The impact of the war in Iran continues to bite regardless while new housing starts decline further. We also observe timelines with planning still underperforming.

The overarching NI Executive Budget delay along with elections in May 2027 are creating a slow down effect for decision making. The impact of purduh, as staff and Ministers taper down workloads will add further delays.

While the construction sector does not shy away from challenge, it becomes increasingly difficult to maintain momentum when the mountain ahead continues to grow steeper. Those preparing to begin the climb and those already partway through the ascent are being forced into ever more difficult decisions.

**When does the prolonged crisis cease to be viewed as a challenge and instead become recognised as an emergency requiring decisive action?**

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### Key Themes – Q3 2026

1. NI Water - update
2. Development slow down
3. NI Planning

### Key Themes – Q2 2026

1. NI Water - update
2. Development slow down
3. Building legislation changes

### Key Themes – Q1 2026

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



# 1. NI Water Update

For the third quarter – top of our agenda has been tracking the funding and management of NI Water.

## 1.1. NI Executive Budget



In the hierarchy of issues; the persistent delays in agreeing a new multi-year executive budget sits top of the agenda.

The draft budget was overdue before the financial year commenced in April 2026 and was subject to a further missed

deadline at the end of July triggering a 5% cap across all public body spending based on last years budget. A best and final offer of £1.5bn from the Secretary of State Sir Chirs Bryant has been tabled, and if not agreed may lead to a budget being passed at Westminster.

With further destabilising issues outside of this, the very Executive itself may now collapse before the end of September leading to widespread delays across government and the country.

Drawing on the Northern Ireland Affairs Committee Economic growth in Northern Ireland: Final Report Second Report of Session 2026–27 - [\(Link\)](#)

*“We are concerned that the ongoing inability of the Executive to agree a budget is preventing vital investment in areas that are fundamental to supporting growth in the Northern Ireland economy. This risks entrenching long term economic barriers and disadvantaging the people of Northern Ireland.”*

## 1.2. NI Water Audit of Governance Systems

Infrastructure Minister Liz Kimmins MLA at the beginning of September announced a forensic audit into governance systems in NI Water. [\(Link\)](#) The reason for this was to be satisfied that the internal checks and balances of the organisation are functioning as they should. Noting the scale, volume and severity of concerns combined with the time taken by NI Water to conduct investigations and other matters of compliance.

As NI Water receive an allocation of £500m annually, it is right to seek assurance that governance systems are fit for purpose. However, given the very high profile of the issues with NI Water, the length of time this has been on the NI Executive (NIE) agenda, and the accountability of the Department of Infrastructure (DfI) and Committee for Infrastructure, it is of notable concern that such an audit was commissioned so very late in the day.

It is a concern at this stage, these questions are being asked and possibly provides an insight into the level of control and

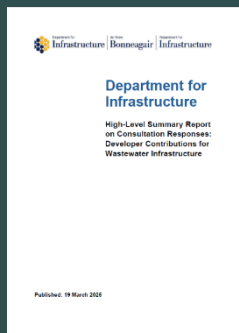


understanding of the role of the senior team running NI Water, but also those who are in a monitoring and control positions.

It brings into further focus the involvement and role of the Utility Regulator as the independent economic regulator of NI Water, with a focus on ensuring consumers receive value for money water and sewerage services.

We anticipate the outcome of this audit will shed further light on the problems at hand and potentially further delays to solving key issues.

### 1.3. Voluntary Developer Contributions



Despite opposition from industry representative bodies, as well as the DfI own *Consultation Responses Report: Developer Contributions for Wastewater Infrastructure* ([Link](#)) showing clear opposition to developer led contributions and potential ramifications, this appears to be progressing.

We have noted from the Committee for Infrastructure meeting held 9<sup>th</sup> September 2026 - ([Link](#)) - pressure is being applied to a current bill to also include voluntary developer contributions before the election cycle begins in March 2027. However, this then changed within two weeks where in the 23<sup>rd</sup> Sept meeting Minister Kimmins noted that it will require legislation, but will be for the next

incoming Minister for Infrastructure to take into legislation. While well known that a means tested wastewater levy for each household in NI is a *vote killer* in the run up to elections, pressing ahead with ineffective legislation is contrary to advice and reporting on this topic, and is an incorrect decision in our opinion.

Developer contributions concentrate a portion of the of costs on developers and as such, we anticipate a trickle down effect with increased house prices – already unaffordable to many, a slow down in building as profitability becomes an issue, thus limiting supply for both social and private housebuilding. We also forecast that the proposal for voluntary developer contributions will delay investment decisions being made as viability on projects are checked.



In summary

Given the significance of this topic, we had hoped to see meaningful traction and practical problem solving between industry and government. Regrettably, the outlook in our opinion remains challenging. With continued delays, this will seriously restrict house building, further damage the environment and limit economic and social development within Northern Ireland.

Please see wider opinions being offered on this matter – See Appendix I



## 1.4. Infrastructure centralisation –

### 1.4.1. Brief Background



The Assembly and the NIE make laws and decisions on *most* of the issues affecting everyday life in Northern Ireland as a product of devolution under the 1998 Belfast Agreement or Good Friday Agreement. These are called ‘*transferred matters*’. There are

fifteen transferred matters, one of which is Environmental issues, including planning – an issue on which the NI Assembly has full legislative (law making) powers.

The DfI has seven main areas of responsibility including - policy on water, sewerage services and drainage - [\(Link\)](#)

Given the observations and progress to date with regards infrastructure management – What governance mechanisms are available if existing structures cannot deliver infrastructure investment?

What role does the Secretary of State for Northern Ireland have to move this issue towards non-devolved reserved or excepted matter? [\(Link\)](#)

A *test* on this may be whether this matter is treated as an emergency given it has such underpinning significance to NI.

Under the Civil Contingencies Act 2004 Part 2 where “emergency” is defined as

- (a) *an event or situation which threatens serious damage to human welfare in the United Kingdom or in a Part or region,*
- (b) *an event or situation which threatens serious damage to the environment of the United Kingdom or of a Part or region, or*
- (c) *war, or terrorism, which threatens serious damage to the security of the United Kingdom.*

Thankfully part c does not apply, however by two thirds, this does pose a serious point on the decision to be made and if in the opinion of the Secretary of State, have we passed an emergency intervention point?

### 1.4.2. How things stand

- The total number of individuals on the NI Housing Executive waiting list was 92,700 individuals at June 26 [\(Link\)](#);
- Blue Green algae continues to thrive in Lough Neagh & Lough Erne and NI water systems [\(Link\)](#) [\(Link\)](#)
- Storm overflows as recorded by NI Water [\(Link\)](#) as of May 2026, 2,441 storm overflows, half of which have now been modelled with c.38% assessed as Unsatisfactory when applying NIEA criteria.



If the UK Treasury and the Secretary of State for Northern Ireland are widely expected to intervene at the eleventh hour to ensure the NIE's Budget is passed, and have given a deadline on this, [\(Link\)](#) at what point does the severity of Northern Ireland's infrastructure challenges become sufficient to warrant intervention on infrastructure funding and decision-making itself?

#### In summary

Given the growing constraints on public finances, it may be prudent to consider alternative funding mechanisms, including a means-tested water levy similar to those operating in England, Scotland and Wales. While politically challenging, exploring the legislative powers available to progress such measures has merit and would, at the very least, help broaden understanding of the options available to address the issues.

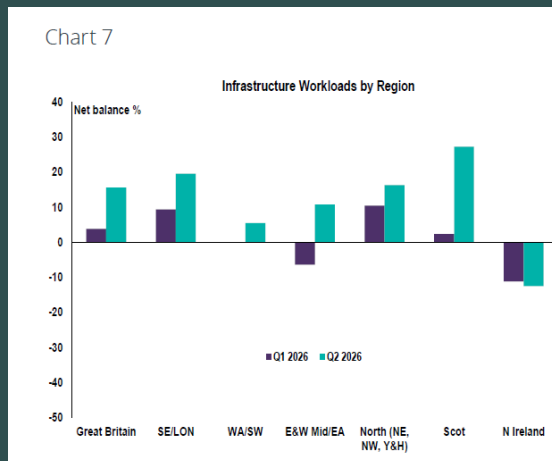
Should intervention occur, the Secretary of State would also be well placed to draw lessons from the shortcomings of water sector regulation elsewhere in the UK. By learning from the failures associated with some UK water companies, Northern Ireland would have an opportunity to develop a more sustainable, transparent and accountable model, avoiding past mistakes while securing investment for the future.

#### 1.4.3. Regional Infrastructure workloads

Drawing on the Q2 2026 RICS UK Construction Monitor [\(Link\)](#) infrastructure workloads by region, NI is the only region showing a quarter-on-quarter decline compared to every other UK region showing an increase.

For 2025 Q4 (not shown) NI reported -27%, so in fairness the outlook has improved in Q1 and Q2, but remains stubbornly negative overall.

Despite however the huge need for infrastructure works, we find this response intriguing as one would have expected a more optimistic outlook by contractors and industry surveyed.



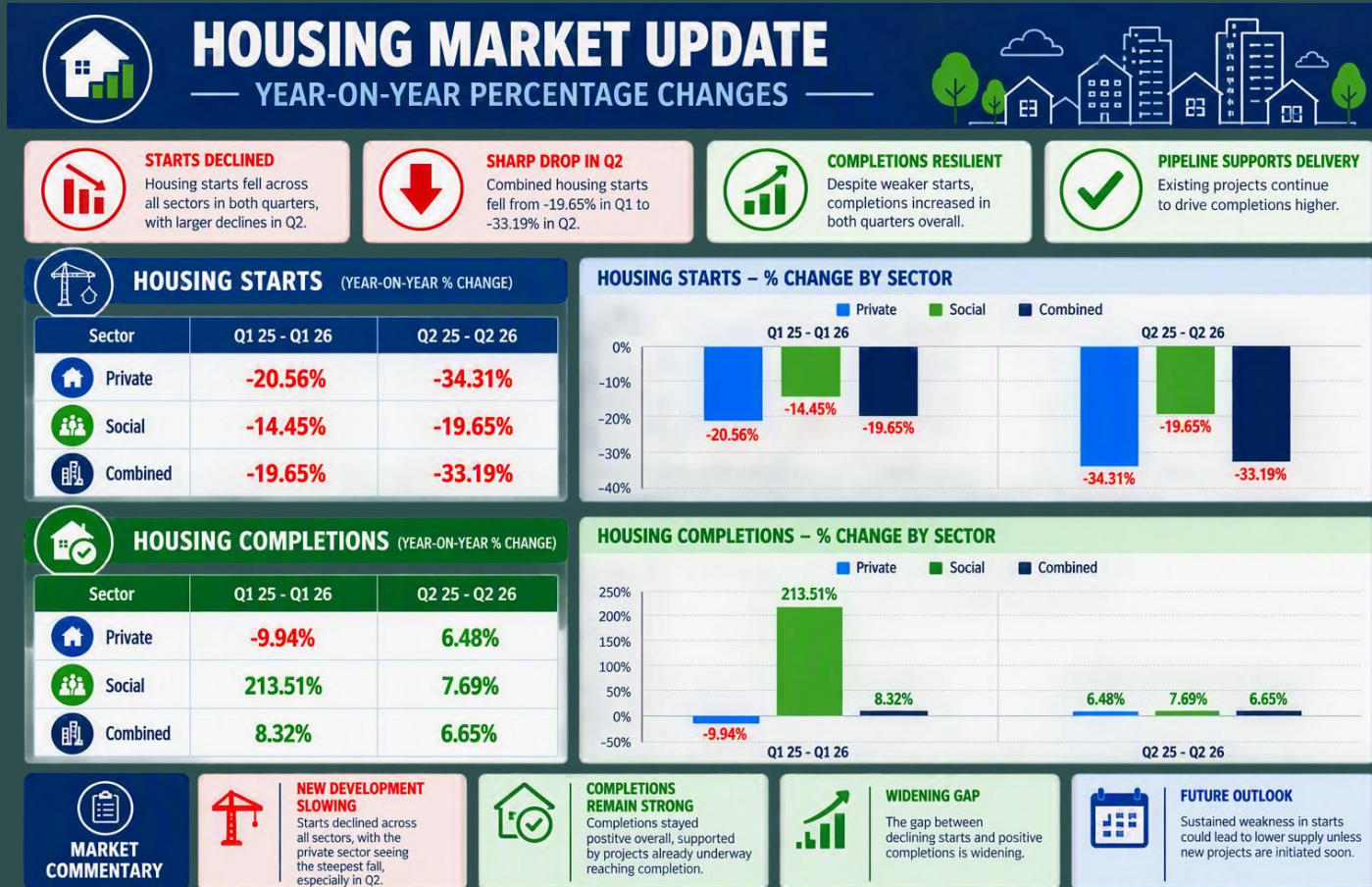
#### 1.4.4. NI Water £10.5bn works procurement

Northern Ireland Water has launched procurement for a £10.5bn framework covering civil engineering, pipelaying and mechanical and electrical works across its water and wastewater estate. [\(Link\)](#)

This is encouraging; but in the backdrop of current funding issues, it does raise a concern on the delivery of this workstream and how NI Water can sustainably fund and manage this.



## 2. House building slow down continues



For Q3 we have again looked at the Dept of Finance New Dwelling Statistics ([Link](#)) focusing on the annual quarter to quarter changes given the seasonality of the sector.

In our opinion, the impact to house building in Northern Ireland due to the war in Iran starting in February 2026, and subsequent knock-on effect of global commodity price increases and supply chains cannot be underestimated.

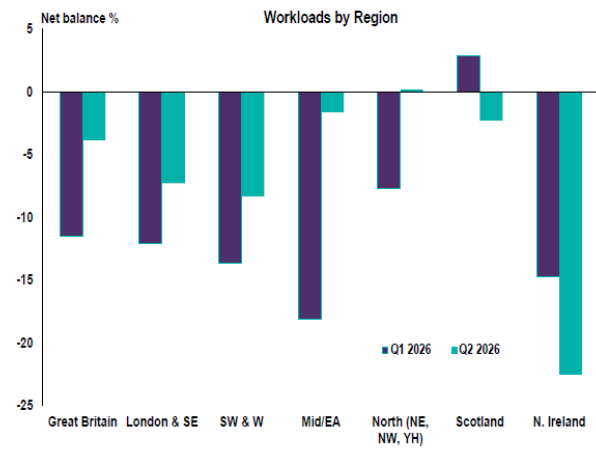
Coupled with the NI Water issues, it is not surprising to see the war effect now bite, and combined private & social new housing starts falling by -33.19% (Q2 25 to Q2 26).

Housing completions are showing resilience with positive figures for Q1 and Q2 26 compared to the same quarters in 2025. This is encouraging and shows demand is still there.

With voluntary developer contributions being openly pursued by DfI, in our opinion it is understandable that new starts are slowing as commercial vibratility is questioned while developers are making the most of increasing prices. According to PropertyPal.com ([Link](#)), average prices increased annually by 3.8% to Q2 2026 giving confidence that sales prices will cover part of the costs. Long term this may not be the case.



Chart 3



## 2.1. Workloads by Region

As we observe the combined 33.19% reduction in housing starts, we can see a similar drop off in workloads drawing on the RICS UK Construction Monitor Q2 2026, [\(Link\)](#) from Q1 to Q2 Northern Ireland is showing continued double digit declines in workloads. Other UK regions, now fully baking in the War in Iran - have turned a corner; still negative; but displaying nonetheless an improving trajectory.

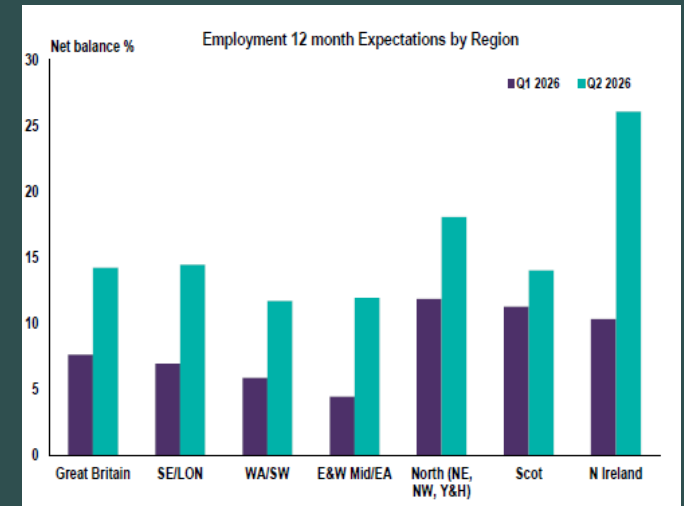
While Chart 3 is broad based and covers public & private housing, commercial, industrial, infrastructure and other public works – due to the NI Water issues, NIE Budget delays and major roadworks such as the A5 Western Transport Corridor stopping, NI seems particularly sensitive to slow decisions and in our opinion, this is now appearing in the figures.

## 2.2. Employment 12-month Expectations by Region

Despite these details, the NI region is by far the most optimistic with regards employment expectations over the next 12 months. From Q1 to Q2 2026 we can observe a near three fold increase to 26%. This has somewhat left us scratching our heads; but to be welcomed all the same.

### In summary

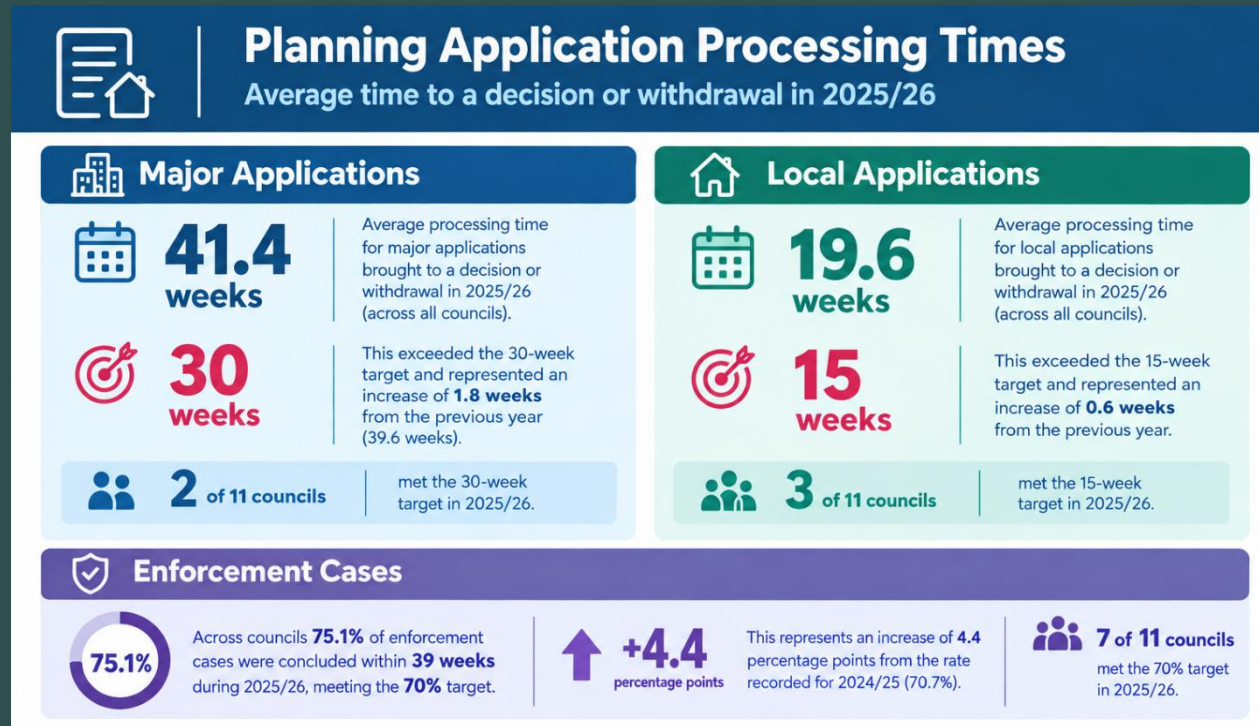
Despite strong housing demand, resilient completion rates and growing optimism around employment, Northern Ireland's construction sector continues to experience declining housing starts and workloads, reflecting the combined impact of global economic pressures, infrastructure constraints and policy uncertainty. Unless barriers such as wastewater capacity, delayed infrastructure investment and development viability concerns are addressed, the gap between housing need and housing delivery is likely to widen further.





### 3. Planning Performance

From a review of Northern Ireland Planning Statistics, Annual Statistical Bulletin 2025/26 April 2025 to March 2026 - [\(Link\)](#) we wanted to distil and pick out key stats that show planning performance in NI.



Most planning applications received and decided in NI are for residential development with residential applications representing 62.6% of application in 2025/26 according to the Planning Statistics.

In an environment where we are seeing a clear slowdown in new housing starts, for both major and local applications, it does point to the role planning plays on providing timely responses.

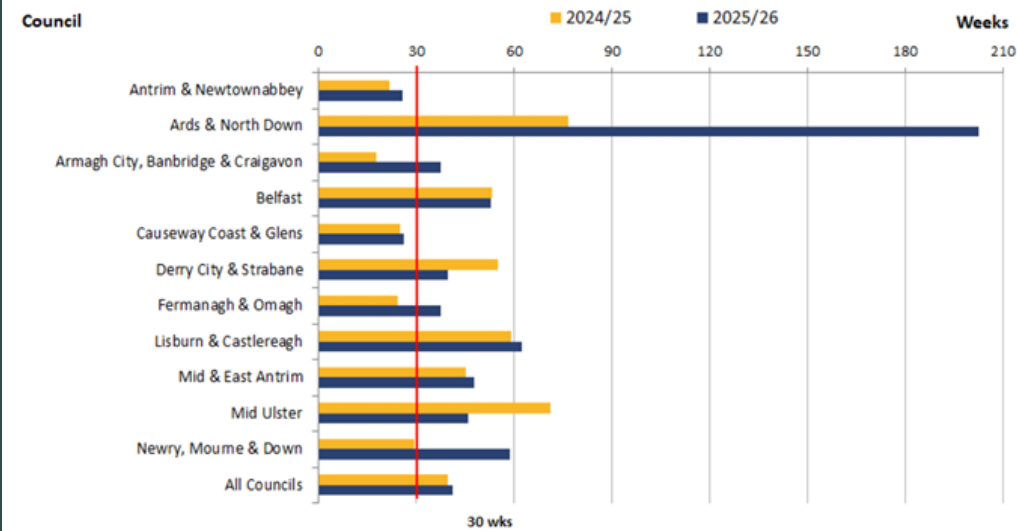
The best performing area within planning is enforcement, where 7 of the 11 councils met the 70% min target for processing time of Enforcement Cases.

Encouragingly, the statistics confirmed that the approval rate for major applications decided upon in NI during 2025/26 was 99.1%. even with a 38% overshoot on statutory processing targets, it seems going the distance with a major application will get a positive return.



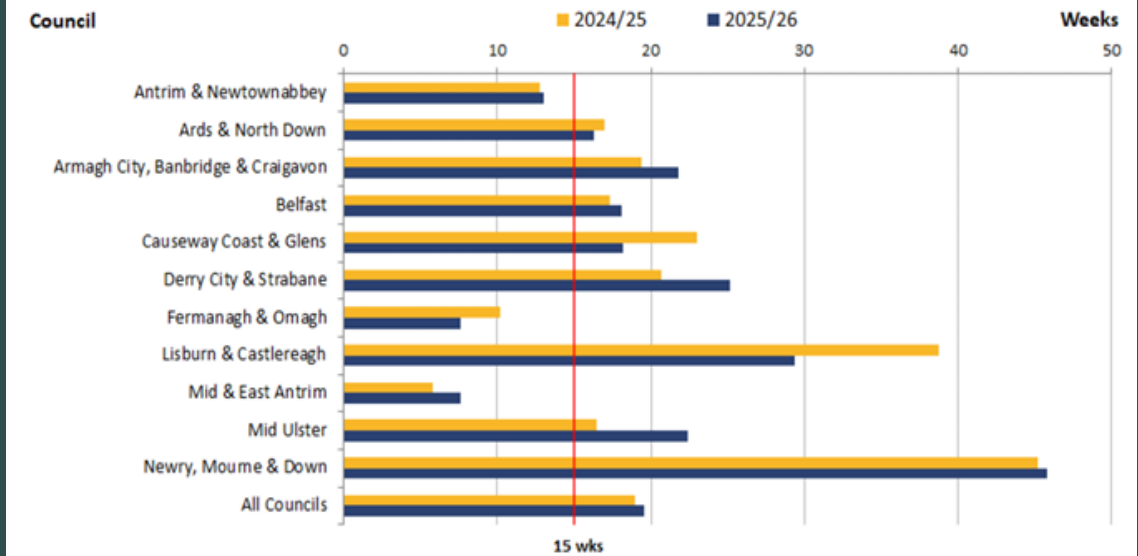
Given the pressures on project plans, finances and managing planning applications, having an indication on times that can be expected may also help inform decision making in the first place. As follows, annual performance figures for major and local development processing times by Council, along with target responses weeks in red.

Fig 3.2 Major development average processing times by council, 2024/25 & 2025/26



Note: Whilst Figure 3.2 has been provided for completeness, across councils there may be an insufficient number of major applications processed during the period reported to allow any meaningful assessment of their individual performance.

Fig 4.2 Local development average processing times by council, 2024/25 & 2025/26



Source - Northern Ireland planning statistics April 2025 - March 2026 [\(Link\)](#)

### In summary

Planning performance in Northern Ireland presents a mixed picture. While residential applications account for almost two-thirds of all planning activity and major applications enjoy a very high approval rate of 99.1%, lengthy processing times continue to create uncertainty for developers. With housing starts slowing, improving the speed and efficiency of planning decisions could play an important role in supporting housing delivery and strengthening confidence in the development pipeline.



## 4. In Conclusion

Our three pronged review of NI Water, housebuilding activity and planning performance continues to highlight a development market operating under significant pressure. While each of these themes can be viewed independently, the reality is that they are increasingly connected and collectively influence investment decisions, housing delivery, economic growth and environmental improvement across Northern Ireland.

The £5 billion investment pipeline highlighted at MIPIM 2026, the resilience of housing completions despite market pressures in Q2 this year, and the forecast £10bn economic opportunity by 2040 drawing on the joint Turley / OCO Global report - all demonstrate confidence in the short and long term has not disappeared.

However, opportunity alone is not enough. Investment requires confidence, confidence requires certainty, and certainty requires decision-making. It is here where we face significant challenges. The absence of an agreed multi-year Executive Budget and uncertainty regarding long-term wastewater infrastructure funding are contributing to an environment where investors are increasingly cautious.

Infrastructure shortfalls highlight the aspirational challenge Northern Ireland has for future prosperity. It underpins the delivery of much needed housing, supports economic growth and inward

investment. It enables environmental improvements and provides the foundations which people, business and public services depend.

When infrastructure investment slows, the consequences spread far beyond the construction sector and become visible throughout the wider economy. The evidence in this bulletin increasingly shows consequences are measurable and cannot be ignored.

2026 Q1 and Q2 new housing starts have fallen sharply as a result reducing the future pipeline of housing supply at a time when there is need and demand. This will potentially create a housing crisis in line with that currently being experienced in Ireland.

The wider construction industry has demonstrated remarkable resilience over recent years. Yet resilience should not be mistaken for the capacity to absorb risk. There comes a point where uncertainty becomes so great investment halts. We now see this in the evidence shared in this bulletin.

The proposed use of voluntary developer contributions illustrates a serious cost challenge. While there is widespread recognition that significant investment in wastewater infrastructure is required, there remains considerable debate about who should bear those costs and the DfI appear to have taken a decision on this.



The danger is that Executive aims to unlock infrastructure funding in this way may inadvertently slow development activity further if implemented without a broader funding solution. Currently there appears more certainty on developer contributions than an Executive Budget. Yikes!

The most striking feature is the apparent widening gap between political aspirations and market realities. Successive reports continue to highlight the economic opportunities available should sustainable multiyear infrastructure funding be addressed with means tested levies (Appendix I)

While the construction sector does not shy away from challenge, attempting to climb a mountain while the incline continues to steepen inevitably forces difficult decisions. Those at the start line looking at the increasing challenge question whether investment should proceed at all. Those partway through the ascent are likely reassessing on a daily basis viability, funding structures and programme risk, and if needs be – **stop**.

As uncertainty grows, momentum slows.

With this, it is not difficult to see that Northern Ireland is approaching a critical juncture.

If intervention from the UK Treasury or the Secretary of State for Northern Ireland is commonly anticipated when Executive finances reach a critical stage, at what point do infrastructure constraints, environmental challenges, housing shortages and lost economic opportunity warrant the same sense of urgency?

There remain reasons for optimism. The significant procurement activity emerging from NI Water, improving employment expectations across the construction sector and continued investor interest all suggest confidence has not been lost. Yet optimism alone will not deliver homes, unlock sites, improve water quality or secure economic growth. Only decisions can do that.

As we look towards 2027 elections, and the stability of the Stormont Executive one question increasingly stands above all others:

**When does the prolonged crisis cease to be viewed as a challenge and instead become recognised as an emergency requiring decisive action?**



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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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Given the current point in the market, pressures on costs and project viability are being closely watched. In some cases, projects may have gone beyond a critical point and are now in a distressed state.

If you wish to have a private conversation on current projects, or indeed projects under review, please get in touch.

<https://ascent-dm.co.uk/contact>

Within Ascent Development Management, David Wilson (Owner and Director) is in the fortunate position to draw upon years of experience managing distressed / non performing assets on behalf of lenders, and private client per Case Study 5.

To progress matters on a confidential basis, [Contact](#) us for a free initial fact finding conversation and next steps.

### Option 1 - Distressed Asset Management

*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 or sale to third parties.

**Working alongside the owner, lenders, administrator or fixed charge receiver providing periodic reporting, advice and solutions.**

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



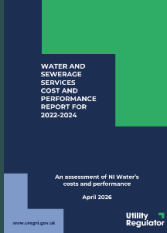
#### CASE STUDY 5 - ASSET MANAGEMENT

Retail and Office, Belfast City Centre, Northern Ireland

- **Brief:** Work with Owner to create improved Asset Value via new lettings, regearing and Cap Ex programmes to improve letting profile (WAULT) and ultimately rental income stream.
- **Value Creation:** measured performance of progress via periodic reporting on gross and net rental income, arrears levels, ongoing assessment of tenant covenant strength, and how these all impact current values and future targeted values.
- **Risk & Disposal:** Developing risk management plans and implementing disposal strategies when the asset reached an optimal value level.



## Appendix I



The Utility Regulator published Cost and Performance Report 2022-2024 for NI Water – published 29/04/2026 ([Link](#))

“However, reported delivery against NI Water's targets for 'wastewater' services indicates underperformance in overall terms up until the end of the 2023/24 report year. This was most significant for performance against the nominated output targets for wastewater treatment works and unsatisfactory intermittent discharges.”



The Open Book Review of Northern Ireland Executive Budget ([Link](#)) published 01/06/2026

Significant challenges exist in a number of key areas (including water and sewerage infrastructure. Applying domestic water charges to bring the Northern Ireland system in closer alignment with elsewhere in the UK, where households are charged for services, could raise significant additional revenue for the Northern Ireland Executive.



NIFC Sustainability Report 2026 published 17/06/2026 ([Link](#))

A relatively high public sector pay bill, limited revenue-raising and persistent overspends has weakened the NIE. The timing of this and the upcoming Assembly election will make it difficult for politicians and senior civil servants to focus on improving the longer-term sustainability of NI's public finances

*In reference to the Open Book Review - The review also sets out a range of revenue-raising options based on alignment with policies in England or Great Britain, including increases in domestic rates, tuition fees and prescription charges, and the introduction of domestic water charges. Fully implemented, the review estimates that these options could raise up to £1.3 billion per year. The report stresses that these figures are indicative, would require trade-offs between affordability and political acceptability.*



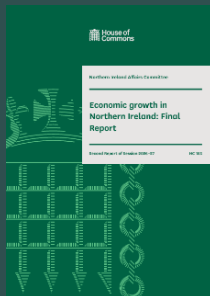
CEF The Construction Manifesto for 2027 NI Assembly Elections – published 02/06/2026

“introduce an infrastructure levy as part of the domestic household rates bill for as little as £1.25 per household per week with protections built in for the most vulnerable...” [\(Link\)](#) . “This Levy should be brought forward as part of The Rates (Regional Rates) Order (Northern Ireland) 2028 no later than February 2028”



OCO Global – Wastewater Constraints and the cost of delay in Northern Ireland – published 1/07/2026

“if the draft Multi-Annual budget was implemented there would be a notable decrease in the average levy to £65 per household per annum - or £1.25 per week - previously it was anticipated to average £100 per household per annum.” [\(Link\)](#)



The Northern Ireland Affairs Committee’s latest ‘Economic Growth in Northern Ireland’ published 8/09/2026 [\(Link\)](#)

warned that infrastructure shortcomings, including wastewater, are affecting local businesses’ ability to invest and grow. “Throughout our inquiry, we heard how Northern Ireland’s well-documented infrastructure challenges—which include inadequate digital connectivity, wastewater management, and road and rail infrastructure—are affecting businesses’ ability to invest and grow.”

