Regional Planning Policy and Casework

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Proinsias McCaughey
Derry City and Strabane District Council
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Dear Proinsias

Derry City and Strabane District Council (DCSDC) – Local Development Plan Preferred Option Paper, Plan Strategy Revision of Policy HOU 13 – HMO Management Areas.

I refer to the formal public consultation on Derry City & Strabane District Council's (DCSDC) Preferred Options Paper (POP) for the proposed revision of Policy HOU 13, HMO Management Areas, within its Plan Strategy. The consultation commenced on 5 August 2026 and will run for an eight-week period, closing on 30 September 2026.The Council has made the POP available to the Department for Infrastructure (DfI) in accordance with Regulation 10 of the Planning (Local Development Plan) Regulations (Northern Ireland) 2015.

The Plan Oversight Team has coordinated a combined response on behalf of relevant business areas within the Department. We acknowledge the Council's constructive engagement with officials to date and look forward to further engagement as the process moves forward.

Yours sincerely

[redacted]

SUZANNE BAGNALL
(Interim) Deputy Director

Enc: Sept 2026 DfI Response to DCSDC PS-Rev POP

Sept 2026 DfI Response

Derry City and Strabane District Council Local Development Plan 2032
Plan Strategy Revision Preferred Options Paper

Policy HOU13: Houses in Multiple Occupation (HMOs)

1. DfI Plan Oversight welcomes the opportunity to comment on the Preferred Options Paper (POP) for the proposed revision of Policy HOU 13 relating to Houses in Multiple Occupation (HMOs). The Council's review follows an active consideration of the monitoring and plan review process and reflects its consideration of changing circumstances since the adoption of the Plan Strategy. This includes the continuing expansion of Ulster University Magee, changing housing market conditions, increasing demand for shared accommodation and concerns regarding HMO concentrations within established residential areas. DfI acknowledges the importance of balancing the provision of housing choice and accommodation for a range of household types with the protection of residential amenity and the maintenance of balanced and sustainable communities. DfI would advise Council that the current monitoring indicator 31(The Number of HMOs in / outside Policy Areas) of the adopted Plan Strategy will require amendment in accordance with any proposed Plan Strategy revision.

2. DfI recognises that the Council has identified a number of factors which it considers justify a review of the current policy approach. These include the delay in preparing the Local Policies Plan and the resulting extension of the transitional arrangements, growth in student numbers associated with Ulster University Magee, increasing investor interest in HMOs and concerns raised by local communities regarding the cumulative impacts of concentrated HMO development. The Council should continue to clearly demonstrate the extent to which these factors represent a material change in circumstances since the adoption of the Plan Strategy and explain why they warrant revisiting a policy position that was recently tested and found sound through Independent Examination.

Policy questions and Preferred options

3. The Council proposes the following policy questions and preferred options:
    - What percentage cap? (Preferred option 1)
    - What geographical area (s) should the percentage cap(s) apply in? (Preferred option 2)
    - Should the PS-R include policy restrictions on concentrations/sandwiching? (Preferred option 3)
    - Should the PS-R amend/clarify the definitions of ‘dwelling unit’/’houses’ (from the denominator part of the % calculation)? (Preferred option 2)
    - Should the PS-R amend/clarify the definitions of ‘street/areas’ (from the % HMOs calculation)? (Preferred option 2)

4. The Department notes that the preferred option would reduce the HMO concentration threshold from 30% to 10% during the period prior to the designation of HMO Management Areas through the Local Policies Plan and thereafter across areas

outside designated Management Areas. While DfI recognises the Council's objective of preventing excessive concentrations of HMOs and supporting balanced communities, any revised threshold will require robust justification. The Council should clearly explain why a 10% threshold is considered the most appropriate and effective response and demonstrate why alternative options, including the 20% threshold or retention of the existing 30% threshold, would be less suitable in achieving the stated policy objectives.

5. From a transport planning perspective, the location of housing is a key determinant of travel behaviour. Lower HMO thresholds could result in HMO development being dispersed to areas with lower levels of accessibility to employment, education and services, potentially increasing travel distances and reliance on the private car. It is therefore important that any threshold is considered alongside robust accessibility analysis to ensure wider sustainable transport and land use objectives are supported.

6. The Council will need to ensure that any conclusions reached are supported by a robust evidence base and take account of the potential transport implications of the approach adopted. In determining its preferred option, consideration should be given to the potential transport effects of concentrating or dispersing HMO development, including impacts on travel demand, travel patterns and the operation of the local transport network. This should include consideration of existing traffic congestion, parking demand, public transport capacity and the ability of the road network to accommodate additional travel demand. Areas already experiencing network stress may be less capable of supporting further concentrations of development without appropriate mitigation. Ensuring that HMO provision is located in accessible areas can support wider land use and sustainable transport objectives by reducing reliance on the private car and encouraging travel by public transport, walking and cycling.

7. DfI recognises the important contribution that HMOs make towards housing choice and affordability across the district. HMOs provide an established source of accommodation for students, young professionals, migrant workers, single-person households and other groups whose housing needs may not be readily met through traditional forms of family housing. The POP itself acknowledges continuing levels of housing need, particularly amongst single-person households, and the role that HMOs play in meeting that demand. In progressing the review, the Council should therefore demonstrate how the proposed policy changes will continue to support the delivery of housing choice and housing need whilst addressing concerns relating to concentration levels. Consideration should be given to potential impacts on housing supply, affordability and access to accommodation for groups who rely on this tenure.

8. DfI notes that the expansion of Ulster University Magee forms a central component of the adopted Local Development Plan growth strategy and wider ambitions for economic growth and regeneration within the Northwest. The POP acknowledges the importance of ensuring adequate accommodation provision to support the university's continued expansion and highlights the potential role of purpose-built student accommodation in meeting future demand. Robust evidence on existing and projected student accommodation requirements, current accommodation capacity, the anticipated role of HMOs in meeting demand and the likelihood, timing and deliverability of alternative accommodation solutions will be important. It will be important to demonstrate that the proposed reduction in HMO concentrations would

not undermine the delivery of student accommodation needs, labour mobility, population growth objectives or the wider growth aspirations underpinning the adopted strategy.

9. DfI acknowledges that concerns regarding residential amenity and community balance can constitute legitimate planning considerations where supported by appropriate evidence. The issues highlighted within the POP, including parking pressures, waste management concerns, noise and disturbance, loss of family housing and perceived changes to neighbourhood character, are matters which may warrant policy intervention where a clear planning rationale exists. The Council should ensure that the evidence base demonstrates a clear relationship between HMO concentrations and identified planning impacts and that the preferred policy approach represents a proportionate response to those impacts. The Council may also wish to distinguish between issues that can be addressed through planning policy and those that may be more appropriately regulated through HMO licensing, environmental health or other enforcement regimes.

10. DfI welcomes the Council's intention to retain HMO Management Areas as part of the Local Policies Plan process. A plan-led approach which directs higher concentrations of HMOs towards suitable and sustainable locations has the potential to support both housing provision and residential amenity objectives. Such an approach may provide a more strategic framework for managing HMO development while continuing to accommodate future demand. The Council should ensure that any methodology used to identify HMO Management Areas is transparent, evidence-based and capable of consistent application. Consideration should also be given to accessibility, sustainable travel patterns, proximity to educational institutions and the need to accommodate future growth and housing requirements.

11. DfI welcomes the Council's intention to clarify aspects of the existing policy, including street definitions, concentration calculations, sandwiching provisions and the treatment of adjacent streets. Greater clarity in these areas has the potential to improve consistency and transparency in decision-making. However, it will also be important that the preferred policy approach is supported by a robust and proportionate evidence base which clearly demonstrates the need for the proposed changes and their likely effectiveness in addressing identified issues. In particular, the Council should provide clear justification for the proposed concentration threshold, the methodology adopted for calculating HMO concentrations, and the rationale for the proposed approach to sandwiching and adjacent street considerations. The supporting evidence should demonstrate how these measures will contribute towards achieving the intended planning outcomes while maintaining consistency with wider housing, regeneration and growth objectives. The Council should ensure that the revised policy and accompanying methodology are clearly articulated, capable of consistent application and readily monitored in practice. This will assist in demonstrating the effectiveness, deliverability and soundness of the revised policy framework and support consideration of the policy against the relevant soundness tests at Independent Examination.

12. The Council will need to ensure that any conclusions reached are supported by a robust evidence base and take account of the potential transport implications of the approach adopted. Restricting the assessment solely to the named street may not fully

reflect how travel patterns and parking demand operate in practice, with impacts potentially extending to adjacent streets and the wider local transport network. The Council should therefore consider potential cumulative impacts beyond individual street boundaries when determining its preferred approach. Any methodology adopted should be transparent, proportionate and capable of being applied consistently.

13. With regard to water and sewerage services, DfI acknowledges that the Council recognises the need for close working with NI Water and for developers to engage with NI Water at an early stage.

14. Council will be aware of the Infrastructure Minister's announcement in May 2026 of a public information event where residents in the vicinity of the Magee campus had the opportunity to hear more about proposals for a Residents' Parking Zone (RPZ) in the area. The Department is now considering the feedback from that event and planning a further public information process to better gauge the levels of support to take forward Residents' Parking in the wider Magee area.

15. In addition the Infrastructure Minister launched a new demand-led application process for residents' parking schemes in Northern Ireland, submission of applications closed on 31 July 2026. These requests, which includes a number of locations in the Derry City and Strabane Council area in addition to the Magee and Bogside areas.

Department's role

16. The Department would wish to draw Council's attention to paragraph 1.6, Page 7 and 8 of the Plan Strategy Revision POP where it states "*stage 2b. The Department for Infrastructure (DfI Regional Planning) will undertake an initial 'soundness' assessment of the Council's Submission and if satisfied, it will proceed to appoint the Planning Appeals Commission (PAC) or other independent examiners to hold the Independent Examination (IE)."* It is not the role of the Department to assess or determine the soundness of a Local Development Plan (LDP). Responsibility for testing the soundness of the plan rests with the Independent Examiner during the Independent Examination process. Upon submission of a draft LDP document, the Department's role is limited to considering whether the document is satisfactory to cause an Independent Examination to be held. This assessment focuses on whether the necessary procedural and statutory requirements have been met to enable the plan to proceed to examination, rather than making any judgement on the soundness of the plan itself.

Summary

17. Overall, DfI acknowledges the Council's objective of adopting a proactive and plan-led approach to managing HMO concentrations. The Council will need to demonstrate that the preferred approach is founded on a robust and proportionate evidence base, is consistent with regional planning policy and the Strategic Planning Policy Statement and remains compatible with the wider objectives of the adopted Local Development Plan. Attention should be given to evidencing the proposed 10% threshold, assessing impacts on housing need and equality groups, demonstrating that student accommodation requirements can continue to be met, and ensuring that alternative accommodation solutions are realistic and deliverable.

18. The Department would highlight to Council that any changes to Policy HOU 13 through the Plan Strategy revision process will need to be reflected in the Supplementary Planning Guidance (SPG) – Houses in Multiple Occupation (HMOs) (Draft, August 2025).

19. The Department also notes that the Council submitted a revised Timetable for the LDP Plan Strategy Revision and a revised Statement of Community Involvement, dated 5 August 2026, which were subsequently agreed by the Department on 1 September 2026.

20. DfI looks forward to continuing engagement with the Council as the Plan Strategy Revision progresses through subsequent stages and encourages the Council to ensure that the emerging policy framework is evidence-led, clearly justified and capable of satisfying the tests of soundness at Independent Examination.