

# Northern Ireland Housing Market Update March 2012

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- ***RICS Housing Market Survey February 2012 signals falling house prices for 55<sup>th</sup> successive month*** - According to the latest RICS survey, 47% of respondents reported house price falls in Northern Ireland (NI) over the three months to February 2012. This compares with 53% of surveyors who stated that house prices remained unchanged over the same period and 0% who signalled a rise in prices. The NI house price balance (*the % reporting a rise minus the % reporting a decline*) has remained negative for 55 successive months. The balance for transactions (+29) and enquiries (+12.5) rose in the latest survey which reflects the spring market rather than any underlying improvement. Meanwhile, surveys expect average house prices to remain unchanged over the next three months.
- ***House price surveys overestimating the reality*** - According to the latest available house price surveys for Q4 2011, the average house price in NI is: £135,211 (DCLG), £137,219 (University of Ulster / Bank of Ireland), £142,000 (NHBC – new house sales only), £113,614 (Nationwide) and £107,418 (Halifax). The DCLG (*the UK's Department for Communities and Local Government*) & UU/BoI house price surveys contain the largest sample sizes and encompass house sales across the majority of mortgage lenders. In addition, the UU/BoI survey includes house sales that do not require a mortgage (*'cash sales'*). However, it is important to note that the current house price surveys are not capturing auction sales. Therefore in reality, the average house price is lower than these surveys are currently reporting. The DCLG survey is the only monthly house price survey but due to the small number of transactions these should be treated with caution. The average NI house price stood at £133,156 in January 2012 (-7.6% y/y).
- ***Surveys reporting a peak to trough fall of 46-53% in the average NI house price*** – 2011 marked the fourth successive year of house price declines for NI. In 2011, the average NI house price fell by almost 11% which compares to a decline of less than 1% for the UK as a whole. According to the latest DCLG house price surveys for Q4 2011, the average house price in NI has fallen by 12.6% y/y whereas the UK equivalent remained broadly unchanged. Looking at the peak to trough performance, the average house price in NI has fallen by 46% - 53% depending on what survey is used. This compares with a peak to trough fall of 13.2% for the UK. It should be remembered these surveys highlight nominal price declines, if inflation is included the decreases in real terms are even greater. For example, the DCLG survey (Q4 2011) has signalled a 46% peak to trough fall in nominal terms which takes the average NI price back to late 2005 levels. If inflation is taken into account the peak to trough fall is 55% in real terms for all property types and the First-Time Buyer (FTB) market.
- ***NI's average house price back at the bottom of the regional house price table*** – At the house price peak (August 2007), using the DCLG survey, NI's average house price exceeded that of the UK and RoI averages. Indeed London, Dublin and the South East of England where the only regions to have a higher average house price than NI. Since then, NI has fallen down the regional house price league table to a position more reflective of its economic fundamentals. According to the DCLG's figures for January 2012, NI's average house price was only higher than one UK region - the North East of England.
- ***NI remains the only UK region yet to experience a house price recovery*** – Not only has NI experienced the steepest peak to trough decline of all the UK regions, it is the only region yet to experience a house price recovery. All the other UK regions have seen the average house price rebound to a greater or

lesser degree. For example, London has witnessed an increase of 21.3% relative to its pre-downturn low with the result that average prices are now 3.5% higher. The average house price in the UK has rebounded by 9.3% since its Q2 2009 low and in Q4 2011 is just over 5% below its Q3 2007 peak.

- ***In 2006/07 NI's house prices decoupled from economic fundamentals*** – Looking at relative house price provides another perspective on NI's house price correction. Back at the peak in 2007, only London and the South East had higher average house prices than the NI average. Indeed, NI's average house price was almost 14% above the UK average. But NI clearly did not experience an economic prosperity boom and continued to have average wage levels well below the UK average. Now, NI's average house price is one less than two-thirds of the UK average (*using January 2012 DCLG figures*). The last time NI house prices were less than two-thirds of the UK average was in 2004.
- ***In the long-run NI's house prices should reflect that of an '88% economy'*** - In the long-run house prices should reflect the economic fundamentals of the economy. These include average wages and levels of economic prosperity (*e.g. GVA per capita*). These indicators have been stable over the long-term and have averaged 88% of the UK average excluding the high growth regions of London and the South East (LSE). Therefore as a broad rule of thumb for long-term value, it is not unreasonable to assume that NI's average house prices should not deviate *significantly* from 88% of the UK average (*excl. LSE*). Any major deviation would imply a region specific shock (*positive or negative*) to either the NI or GB economies. For example, NI's house prices were briefly over-valued to the tune of 50% during the property bubble. Now, the latest figures reveal that NI's house prices have moved below the long-term level of '*fair value*' with NI's average house prices falling almost 9 percentage points below the '*88% threshold*'. Another interpretation of this is that average house prices in GB are potentially over-valued relative to NI. Therefore house price declines in GB would improve NI's relative position even if NI house prices remained constant. However, it should also be remembered that supply restrictions (*under supply of housing*) are more of an issue in GB than in NI which will also impact on deviations from long-term value. Going forward, NI faces some unique challenges such as the public expenditure cuts (*and the prospect of regional public sector pay levels*) and exposure to the RoI, both of which will more adversely affect NI relative to other UK regions. As a result, in the same way that NI's average house prices overshot its economic fundamentals on the way up there is the potential for the average house prices will undershoot long-term fair value, for a time, on the way down. The \$64,000 question is how much of an under-shoot will NI experience? Key factors influencing this include the out-workings of NAMA and the wider corporate debt deleveraging process.
- ***Surveys are still under-reporting the scale of the house price correction*** - Despite NI's huge house price falls, the abnormally low levels of transactions is concealing the true extent of the house price correction that has actually taken place. In our view, the re-pricing correction – which is the average fall in the '*for sale*' price of houses – is probably already around 55%. Indeed, if the volume of house sales was in line with 2006/2007 levels a correction of around 60% would be revealed. As a result, house price surveys are expected to continue to report average house price falls in 2012 & 2013 as they catch-up with the significant re-pricing of homes that has already occurred since 2010. This means the surveys will be reporting further falls in house prices long after the market has bottomed. Furthermore, auction sales are not incorporated into the house price surveys and these are currently indicating peak to trough declines of up to 70%. Therefore it is not unrealistic to expect a peak to trough fall in *average* house prices of around 60% taking the average NI house price back to around 2003 levels. This actually compares favourably with our counterparts in the Republic of Ireland (RoI). Whilst the RoI is expected to record a similar house price correction of 55%-60%, due to the fact that its housing boom was more prolonged than in NI, average house prices will return to around 2000 levels.

- Boom & Bust: The UK Experience of the Late 1980s and Early 1990s** - In the early to mid 1990s, negative equity was widespread within the UK. Following a peak to trough fall of just 12% it took almost eight years for UK house prices to return to their peak levels of 1989. During this recession, the UK experience with mortgage arrears, repossessions and negative equity has been much more favourable than in the 1990s. Unfortunately the opposite holds true for NI which has experienced a price correction four times greater than that experienced by the UK in the early 1990s. Given the scale of NI's property bubble a return to the freak overvalued prices of 2007 is not expected to be repeated, nor is it desirable. This is welcome news for the house-buyers of tomorrow. However, it will be a cause of concern for those individuals with mortgage debt secured in 2006 and 2007. The scale and speed of the house price recovery will influence the scale and duration of negative equity. The best strategy for anyone caught in negative equity is to accelerate debt repayment where possible.
- The UK's 1980s /1990s housing boom, bust and recovery versus Northern Ireland today** – A quick analysis of the UK's housing boom, bust and recovery in the 1980s and 1990s and the Northern Ireland experience today reveals few similarities. Indeed, by comparison, the UK experience of the past was relatively mild. Looking solely at house price performance, it is noted that NI's cumulative house price growth during the 5 years preceding the house price peak was 143%. This compared to 121% (*in a higher inflationary environment*) for the UK in the 5 years to Q3 1989 (*the house price peak*). In the 5 years that followed the UK's house price peak, average house prices were only 11% below the peak and 97% above the level a decade earlier. By comparison, in the four and a half years since NI's house price peak, the average house price has fallen 46% (*according to DCLG survey rather than the reality of >50%*) and is only 31% above the corresponding level in Q2 2002. In the UK it took 7.5 years for the UK average house price to return to its peak and 10 years after the 1989 peak UK house prices were 32.5% above the peak. Furthermore, in Q3 1999 UK average house prices were 193% above the level 15 years earlier. Unlike the UK, NI is not forecast to return to its house price peak. Instead we expect NI's average house prices to return to 2003 levels.
- Negative Equity More Prevalent in Northern Ireland than in the UK** - Back in 2007 NI's main mortgage lenders had the lowest loan-to-value (LTV) ratios of any UK region in 2007. However, even an extremely 'prudent' (*at the time*) 55% LTV interest only mortgage is now in negative equity territory with a 50% fall in prices. According to a Council of Mortgage Lenders (CML) in August 2011, NI now finds itself with the highest rates of negative equity within the UK and twice the national average. In NI, 28% of mortgages advanced since 2005 were in negative equity which compares with 14% for the UK. Whilst negative equity is a concern in NI, the fact that the housing boom was so pronounced and telescoped into just a two-year period means a smaller proportion of households were caught in negative equity than otherwise would have been the case. Conversely, the challenge is much greater in the Republic of Ireland (RoI) where the boom lasted several years. Average RoI house prices are set to experience a cumulative peak to trough drop of 55-60% with average house prices returning to around 2000 levels. As a result, a much greater proportion of households have fallen into negative equity in the RoI.
- Housing completions to fall for sixth year in a row in 2012** – When the figures for 2011 are released, they are expected to reveal a fifth successive annual decline in house completions (*i.e. built housing units*). In 2010 there were 8,035 house completions - the lowest outturn since 1994. The 2010 figure was 14.8% lower than 2009 and almost 55% below the 2006 peak (*18,000 units*). Last year, completions are estimated to have fallen (7%) to around 7,500 units. Looking ahead, a sixth rate of contraction is anticipated in 2012 with a decline to 6,500-7,000 units. The rate of completions is likely to stay around these levels in 2013.

- **Northern Ireland is building fewer houses per capita than at any time since 1959** – At its peak in 2006, Northern Ireland was building 10.3 housing units per 1,000 of population. With the population within Northern Ireland still rising, the house-building ratio is set to fall to 3.6. Indeed, the latter would represent the lowest house-building to population ratio since 1959 (3.5) which represents the current low since records began in 1949.
- **Northern Ireland housing starts still drifting lower** - The number of housing starts continues to decline according to the NHBC. The NHBC are the timeliest figures available and traditionally account for around half the market although this has recently dropped to around one third. NHBC house starts in 2011 fell by 37.5% relative to 2010. Meanwhile, NHBC house completions in NI declined by 23% over the same period. It is worth putting NI's house building performance into perspective vis-à-vis the RoI. Back in 2006, the RoI completed over 88,000 housing units. Since then, the rate of house-building has fallen at a rapid rate and just 9,000 units are expected this year. This represents a staggering fall of almost 90%.
- **Mortgage Activity fell by 12% y/y in 2011 but remains above 2008's 37-year low** - According to the Council for Mortgage lenders (CML) there were 8,800 mortgage completions in Northern Ireland in 2011. This represented a 12% fall (1,200), on the previous year but remains 14% (1,100) above the low of 2008. The latter represented the lowest level of mortgage activity since 1974. Overall, mortgage activity in 2011 remains over 64% below the pre-crisis 25-year long-term average (24,300). Meanwhile, last year's annual mortgage figures were 75% below the peak in NI mortgage completions of 35,100 back in 2003.
- **First-Time Buyer market posts its third consecutive rise in mortgage completions in 2011** – The overall mortgage numbers conceal diverging trends between the First-Time Buyer and Home Movers segments. The former witnessed its third consecutive rise in mortgage numbers with 4,900 completed last year. This represented a modest annual rise of 4.3% (200), with the level of completed mortgages in 2011 75% above 2008's record low of just 2,800. Despite the recent pick-up in FTB mortgage activity, it is noted that the number of loans for house purchase remains 65% below the pre-crisis 25-year long-term average (13,900). Furthermore, 2011's outturn was 73% below the record high of 18,300 FTB mortgage completions back in 2001.
- **The number of 'Home Movers' in 2011 hit a 37-year low** – While NI's FTB market has witnessed some recovery in activity since 2008 the same cannot be said for the Home Movers (*second hand market*) segment. There were 1,100 fewer mortgages (-22% y/y) in this category last year relative to 2010. Furthermore, the outturn of just 3,900 represented the lowest annual total since 1974. This compares with a pre-credit crunch level of 17,800 in 2006 and a record high of 23,900 in 2003. The fact that many of the first-time buyers are opting for new builds is one reason why the improvement in FTB activity is not feeding through into the wider market. The purchase of a new build provides a one-off hit to the property chain.
- **Value of loans for house purchase has fallen by 75% (real terms) in five years** - Clearly, given the steep fall in residential property prices, the value of NI loans has fallen considerably alongside activity. According to the CML, the value of NI loans for house purchase stood at just £850million in 2011. This compares with £2.97bn in 2006 or £3.5bn when expressed in 2011 prices (*taking account of inflation*). Therefore the value of loans for house purchase in NI has fallen by over 75% in real terms, or £2.65bn, during the last five years.
- **Value of loans for NI remortgages has fallen by 84% (real terms) in four years** - The steep fall in the number of and value of loans was not just confined for house purchase. The number of remortgages increased dramatically during the property boom. Similarly, the level of remortgaging has plummeted during the housing downturn. The number of remortgages in NI peaked during the four quarters to Q3

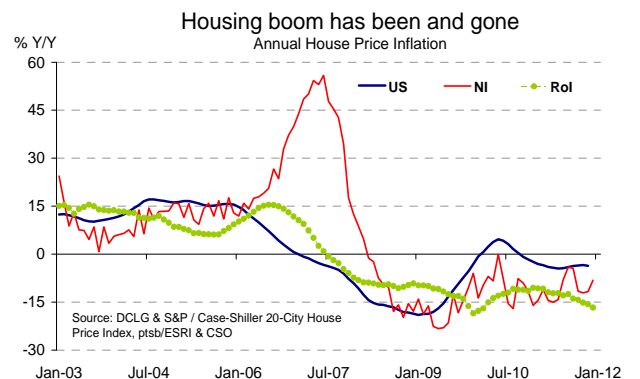
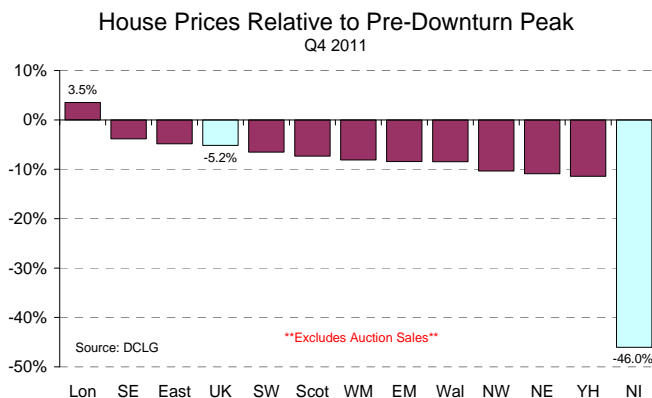
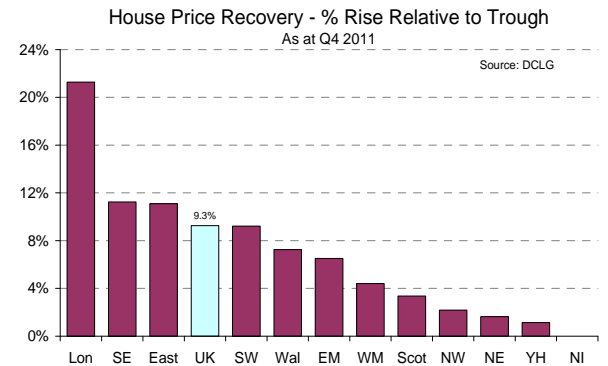
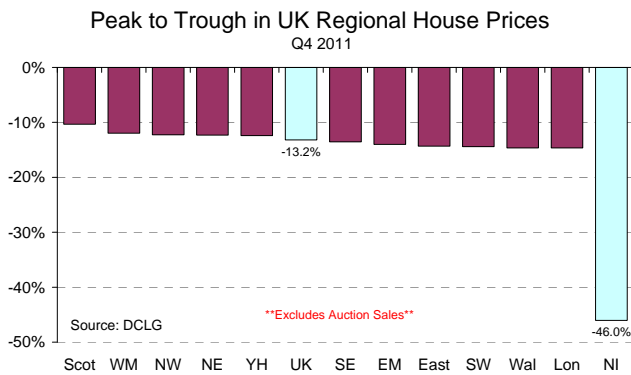
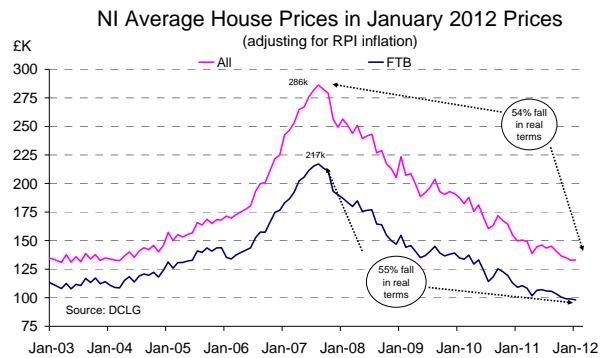
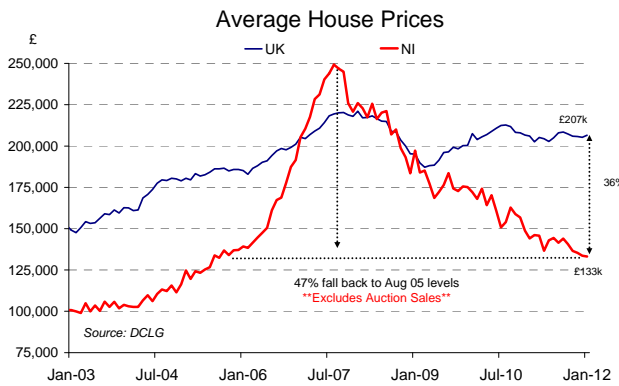
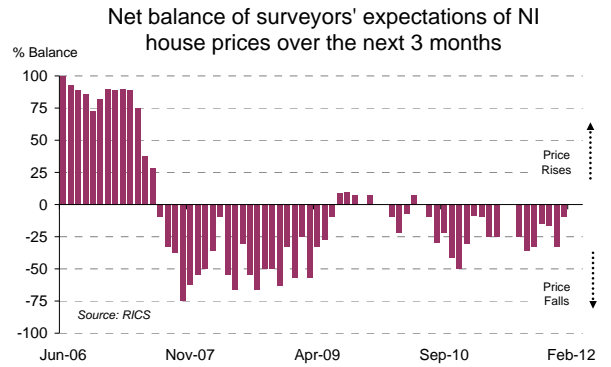
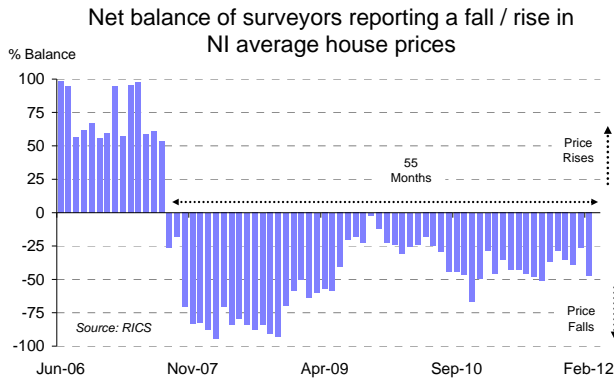
2007 in Q3 at 32,900. Since then, remortgaging activity has plummeted by 78% to 7,200 loans last year. In value terms, NI remortgaging activity has fallen by £3.4bn or 83% in real terms in just 4 years. A significant part of this remortgaging will have been to enable equity withdrawal to fund consumer spending. The rapid fall in housing equity has had a knock-on effect on remortgaging activity and indeed discretionary consumer spending (*2<sup>nd</sup> homes, new cars, home improvements / extensions etc*).

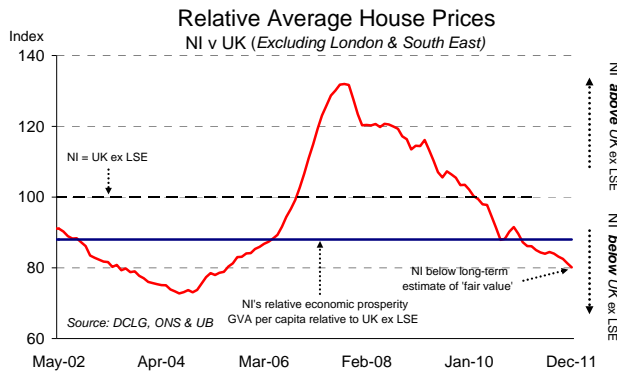
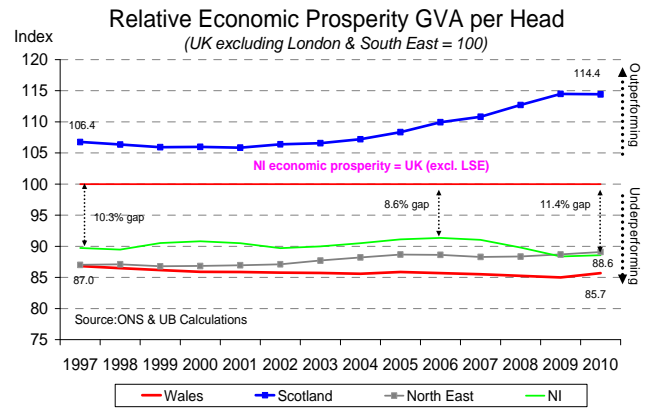
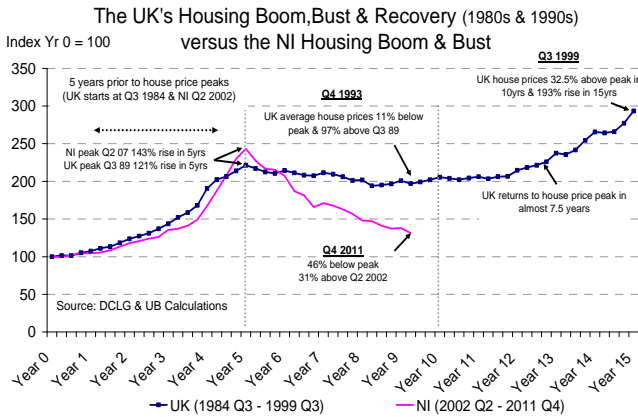
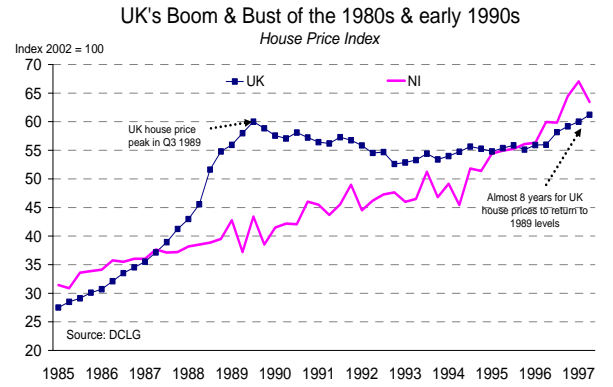
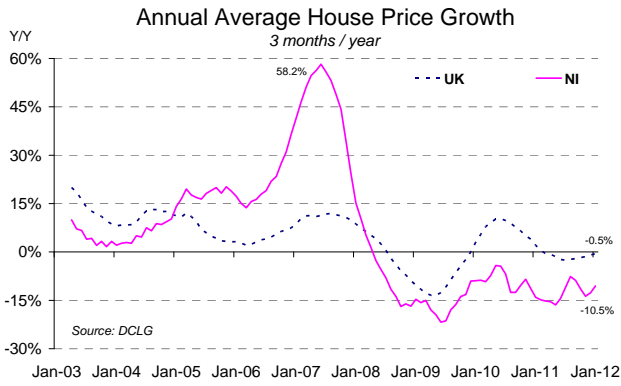
- ***Housing affordability has improved markedly using house price to earnings ratios*** - The combination of record low interest rates and record house price falls has had a positive impact on housing affordability. There are various indicators for housing affordability such as house price to earnings ratios and mortgage payments as a percentage of income. The Halifax house price to earnings (HPE) ratio has fallen from 8.6 at its peak in Q3 2007 to 3.6 in Q4 2011. The HPE ratio is based on the average earnings of Male Full-Time employees. In April 2011 the median annual male full-time employee wage was £23,627 whilst the mean stood at £28,911. The median and mean annual gross earnings for all full-time employees (*male & female*) stood at £23,185 and £27,253 in April 2011. In the long-term, average house prices are expected to revert to the long-term pre-boom average HPE ratio (3.5) which is what has almost happened with the latest Q4 2011 figures.
- ***Mortgage payments as a % of disposable earnings are well-below pre-boom long-term average*** - It should be noted that the aforementioned affordability analysis focuses on gross income and therefore fails to take into account changes in taxation. Halifax also produces an affordability indicator which measures mortgage payments (*of an average house with a 70% LTV*) as a percentage of average disposable incomes (*taking account of taxes and national insurance etc*). During the house price peak in 2007 mortgage payments accounted for almost two thirds of average disposable income (64%). Now, the latest figures for Q4 2011 highlight that this figure has plummeted to one-fifth (20.8%). This is actually well below the pre-boom average of 27.4. The combination of higher interest rates (*in the medium to longer term*) and tax rises (*falling disposable incomes*) are expected to push this ratio back towards its long-term average in due course.
- ***First-Time Buyer affordability has improved markedly*** - The Nationwide publishes affordability indices for the First-Time Buyer. The Nationwide FTB house price to earnings (HPE) ratio has fallen from 8.1 at its peak in Q3 2007 to 3.5% in Q3 2011 (*latest data available*). This compares with a pre-boom 10-year average of 3.2. Nationwide also produces an affordability indicator which measures mortgage payments (*of an average house with a 90% LTV*) as a percentage of average disposable incomes (*taking account of taxes and national insurance etc*). During the house price peak in 2007 mortgage payments accounted for three-quarters of average take home pay of a First-Time Buyer (UK=52%). However, it should be noted that buy-to-let investors were driving up average prices and adversely affecting the affordability for genuine first-time buyers. Now, the latest figures for Q3 2011 highlight that this figure has plummeted to 28% (UK=34%). This is still above the pre-boom average of 25%.
- ***Improving mortgage affordability is not all one-way traffic due to inflationary pressures*** – Whilst falling interest rates and house prices have improved after tax mortgage affordability, this is only part of the story. In recent years, inflationary pressures on necessities, such as food and energy, have soared. This has the impact of offsetting some of the benefits of lower mortgage payments. For example, since Q2 2007, consumer prices for food, drink, tobacco and energy (*FBTE CPI*) have risen by one third. Post-tax income after expenditure on necessities is what matters. It is noted that the price of filling up a tank of petrol/diesel in the average family car has risen by around 50% since Q2 2007. In Q2 2007, the cost of a tank of petrol (50 litres) was £47 (*£48 for diesel*). According to the latest UK figures for the week beginning 12 March, the average price of a litre of petrol and diesel was 137.9p and 145.15p respectively. This represents £69 or £72.5 for a tank of fuel in the average family car. A further 3p increase in UK fuel duty is due to take place in August 2012. Looking ahead, consumers face further

headwinds to mortgage affordability in the shape of higher taxes and lower benefits (*e.g. moving the thresholds of benefits, tax credits and higher rate income tax down*) which will reduce disposable incomes.

- ***Interest rates can only go up but 'bank rate' to stay at its historic low for some time yet*** - The Bank of England has had interest rates at record lows for 3 years (*since March 2009*). Whilst there remains some uncertainty over how quickly and when exactly the BoE will raise interest rates, we expect the bank rate to remain at 0.5% into 2014. Indeed, there are some commentators expected the bank rate to remain on hold into 2015. This will benefit those borrowers whose mortgages are linked to the Bank of England base rate – e.g. base rate trackers. Even though the BoE base rate remains at 0.5%, longer-term interest rates (*which are used to price fixed rate mortgages*) have experienced significant moves and recently posted record lows of sub-1.5% (*1.74% at the time of writing*). Despite the bank rate remaining on hold, the cost of funding mortgages through depositor savings (*which lenders have had to become more reliant upon*) has remained well above bank rate and averaged 1.2% last month. Higher interest rates to attract deposits necessitate higher mortgage rates too. For example, the average standard variable rate (SVR) mortgage in the UK has risen from 3.91% in November 2010 to 4.17% last month. Within the last week a number of UK lenders have announced increases in their SVRs and this will become clear in the BoE's figures for March.
- ***Interest rates in a historical perspective*** – The current Bank Rate is at its lowest rate since the Bank of England was created in 1694. Whilst we have all become used to those record low rates it is important to put them in perspective. For example, the BoE base rate peaked at 15% in 1989/ 90 which triggered the end of the late-1980s housing boom in the UK. More recently, the Bank of England '*bank rate*', often referred to as the base rate, averaged 5% during the decade 1998-2007. Indeed, when the Good Friday Agreement was signed back in April 1998 the base rate was 7.25%.

# HOUSE PRICES & HOUSE PRICE PERFORMANCE

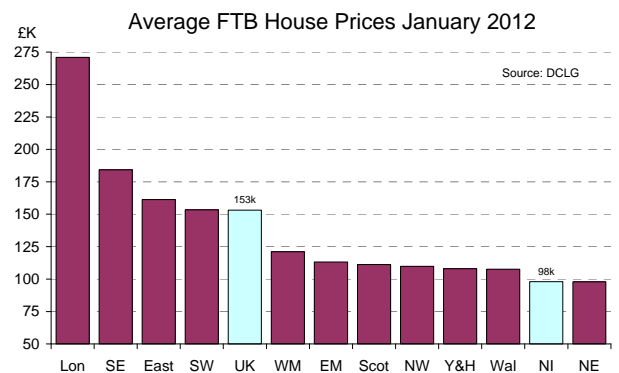
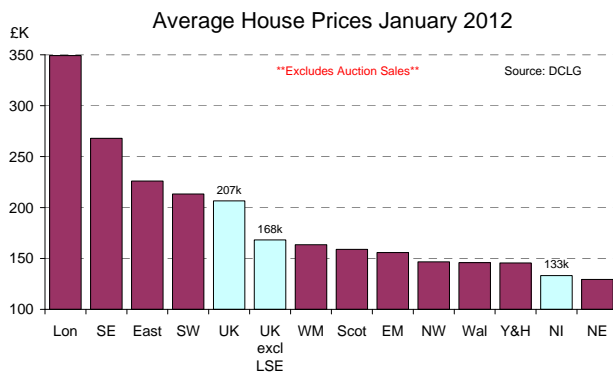




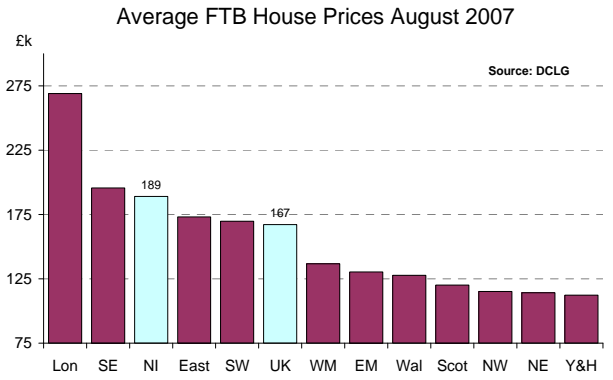
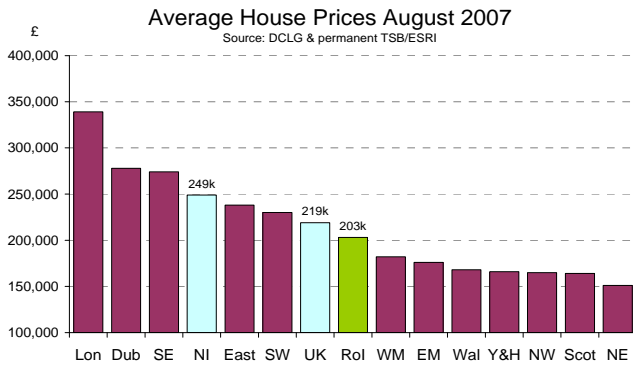
### Average House Prices - All Property Types Q4 2011

	NI	UK
DCLG	£135,211	£205,675
Nationwide	£113,614	£164,785
Halifax	£107,418	£162,095
University of Ulster / Bank of Ireland	£137,219	-
NHBC (new house sales only)	£142,000	£189,000*

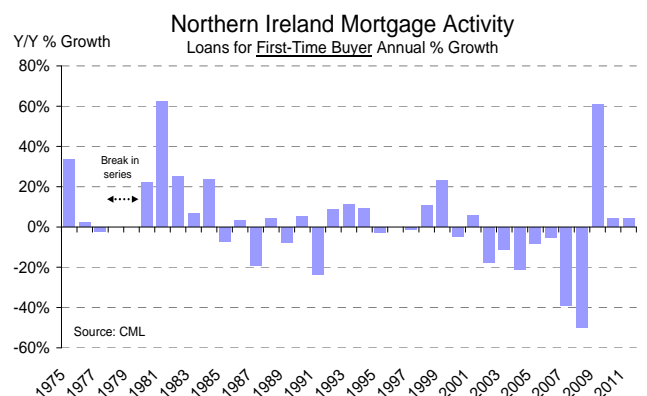
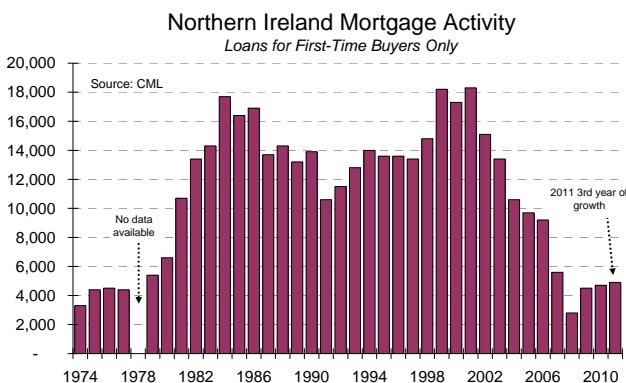
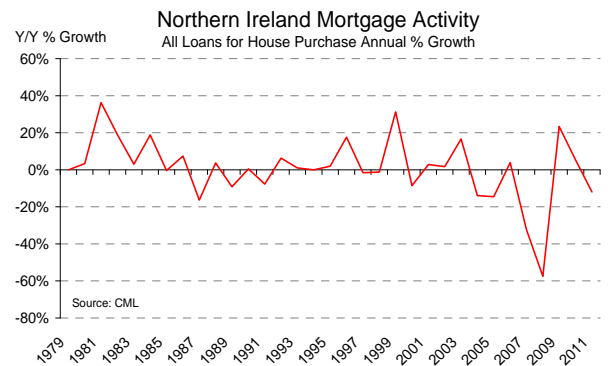
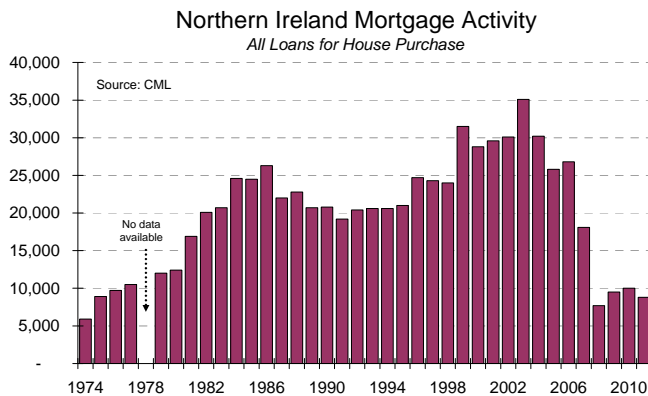
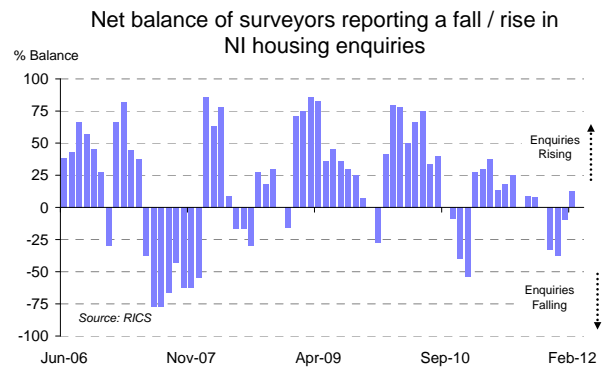
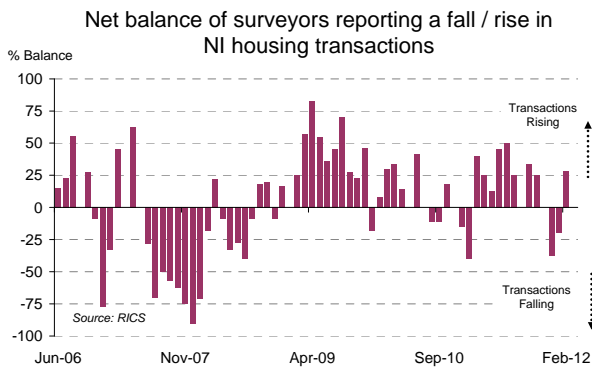
\* refers to GB, Auction sales are not included in the above surveys

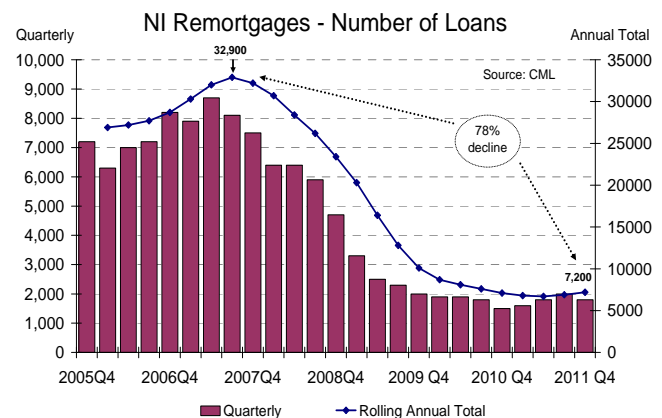
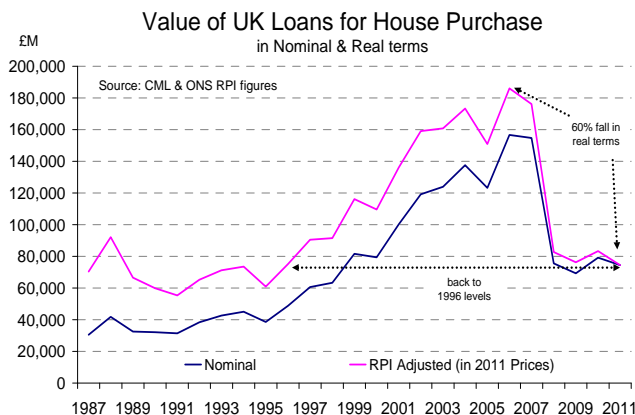
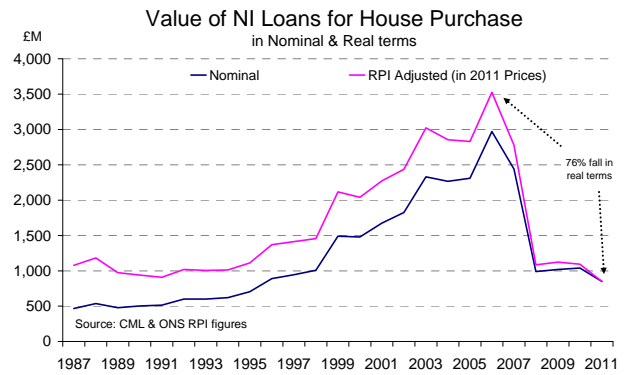
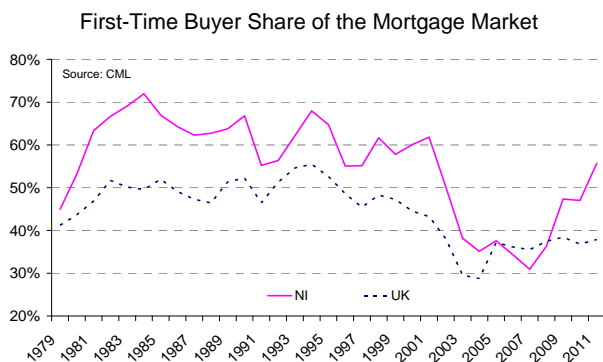
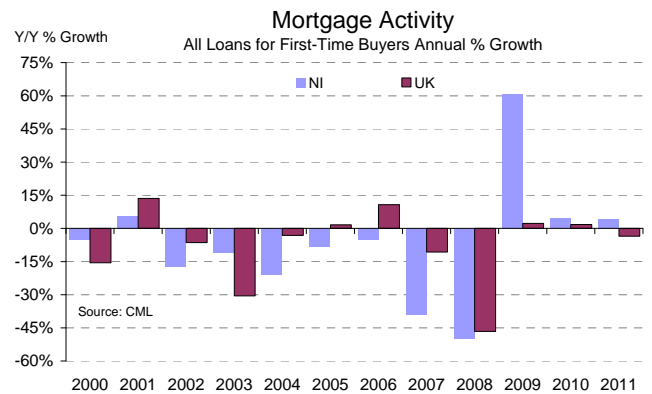
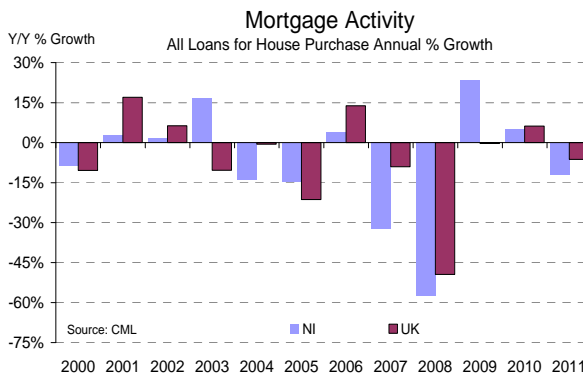
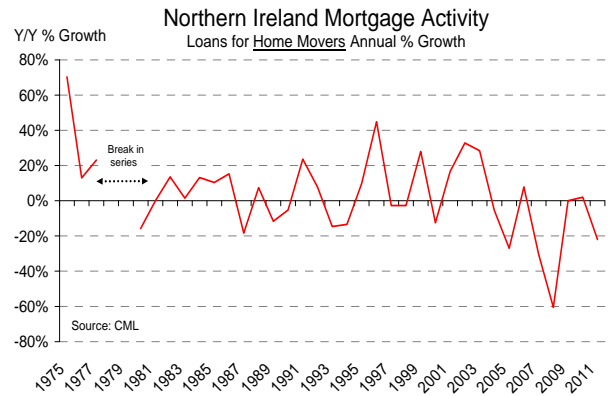
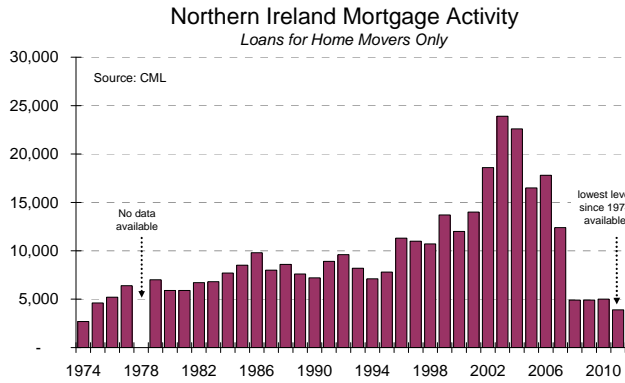


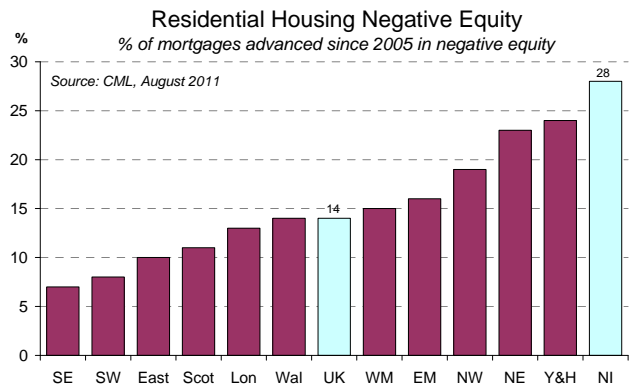
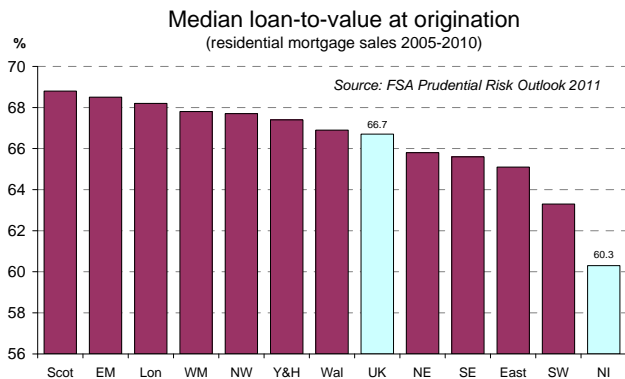
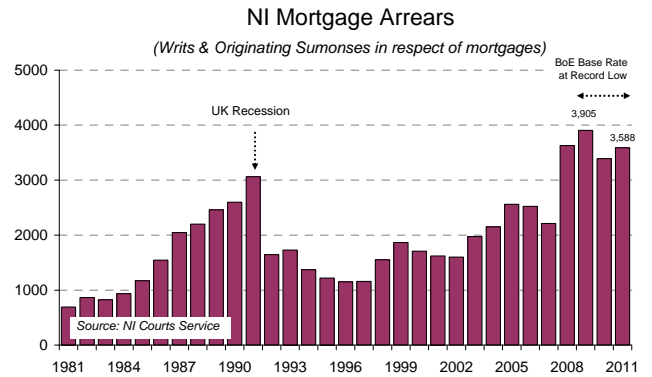
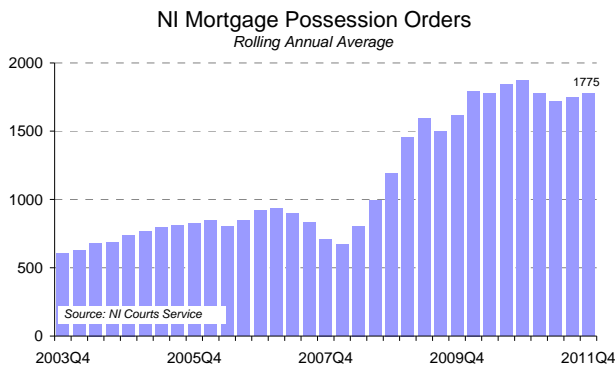
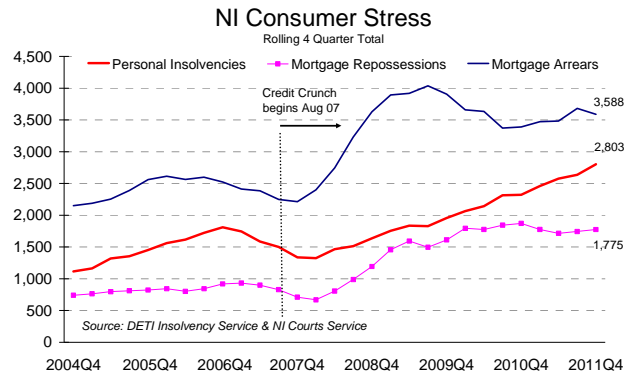
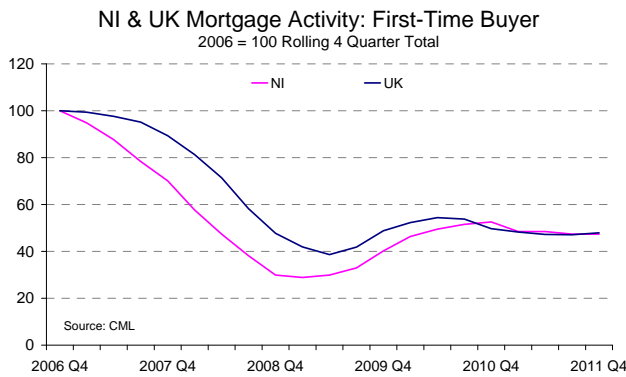
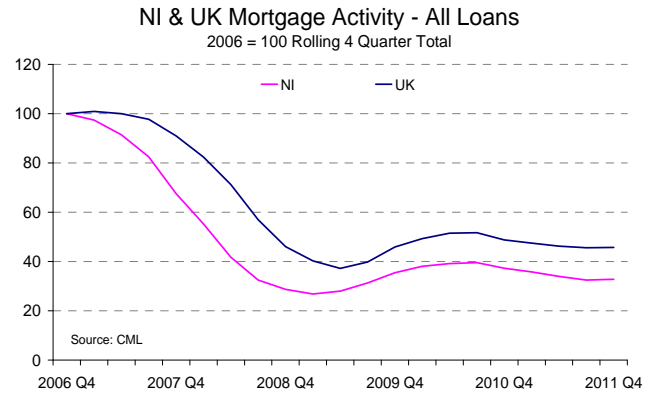
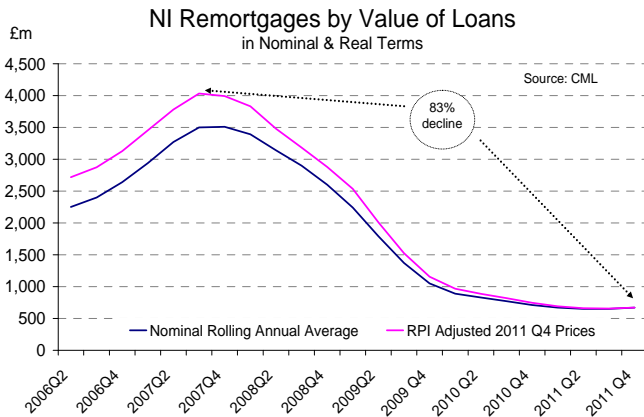




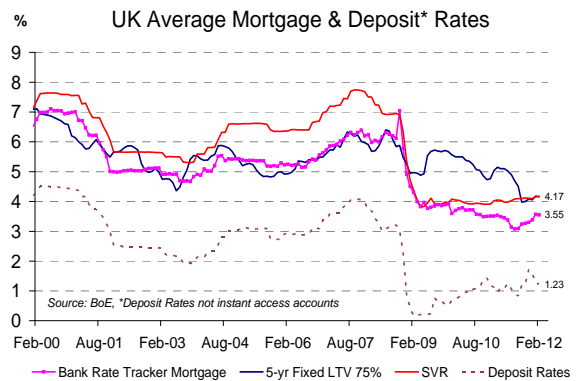
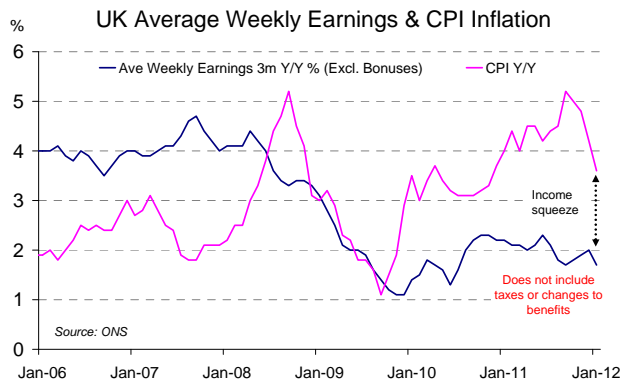
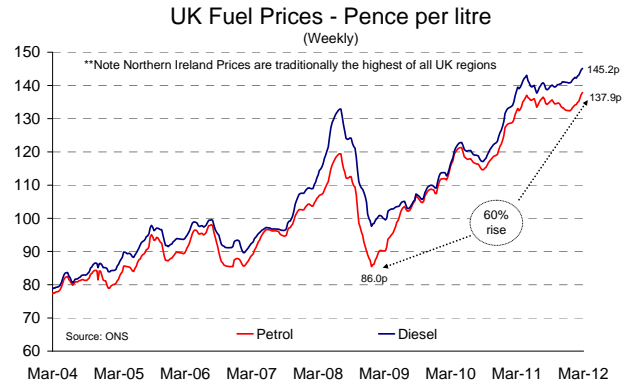
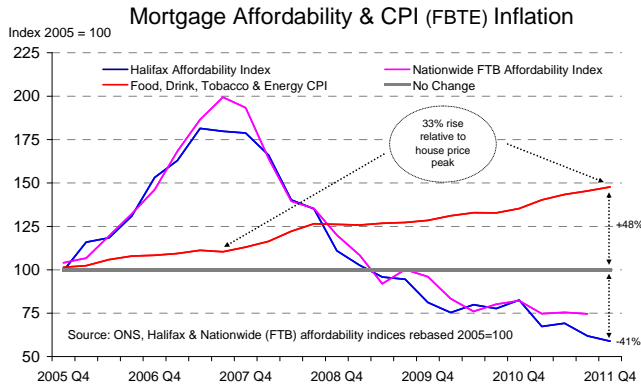
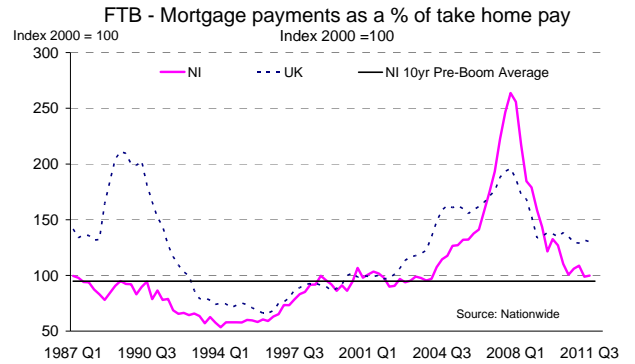
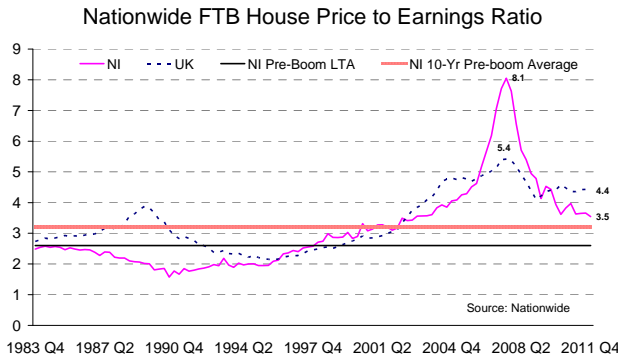
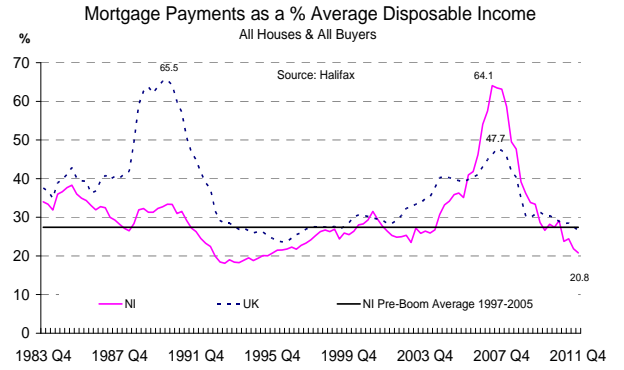
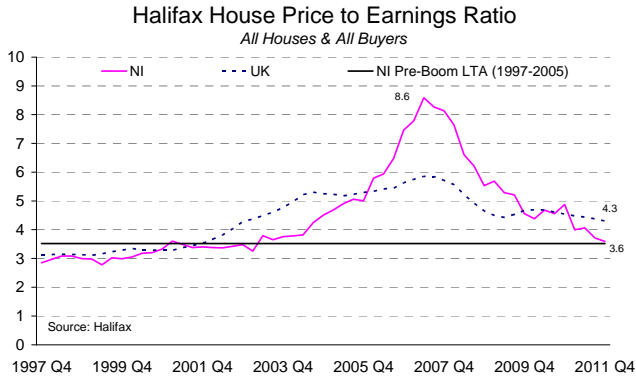
## MORTGAGE ACTIVITY / HOUSING TRANSACTIONS



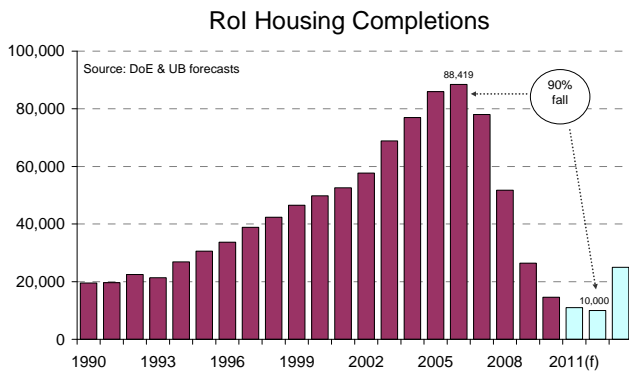
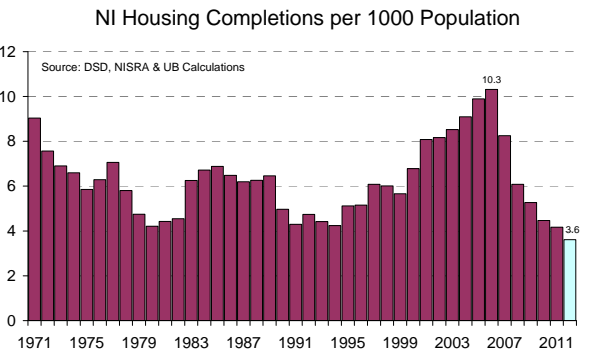
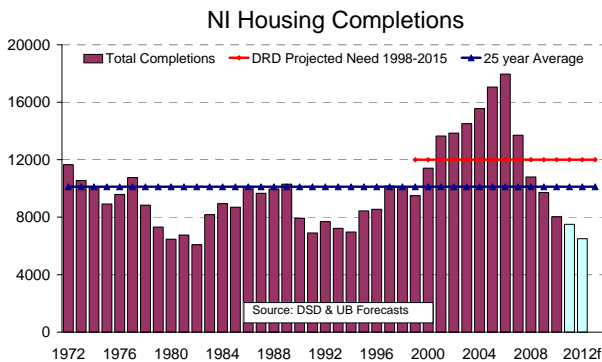
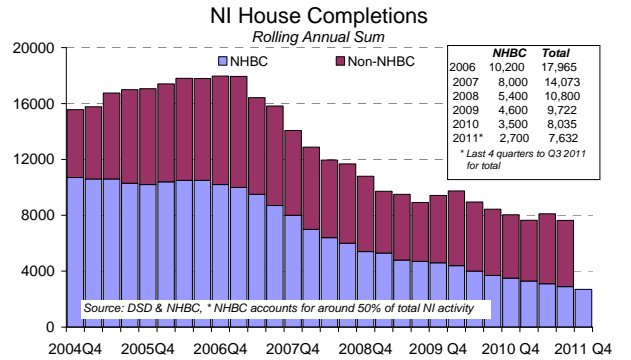
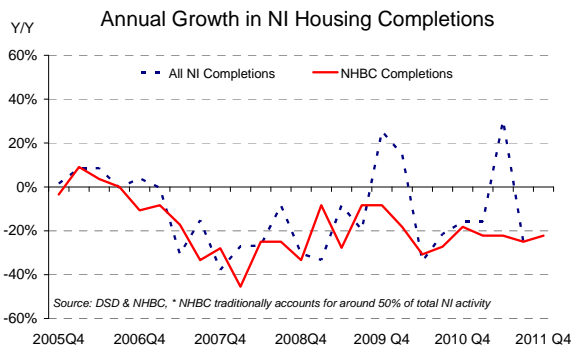
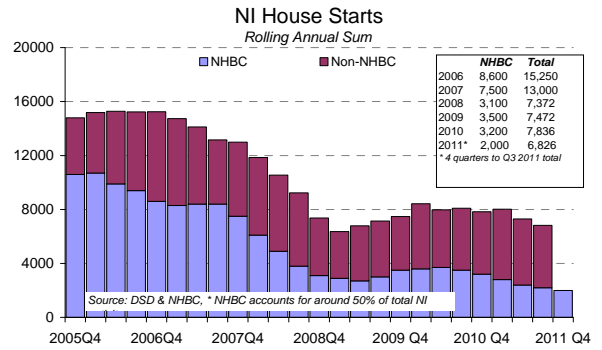
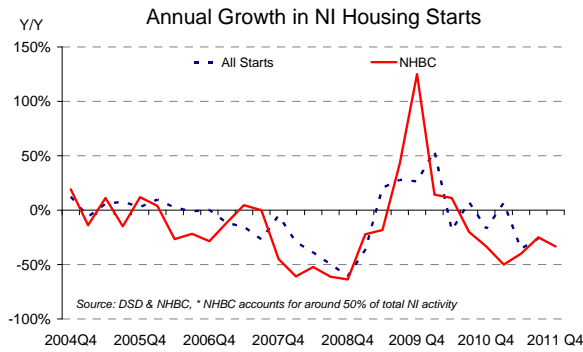




# MORTGAGE / HOUSING AFFORDABILITY & INTEREST RATES



# HOUSING STARTS & COMPLETIONS



**TABLE 1 NORTHERN IRELAND HOUSE PRICE STATISTICS**

	House Price Index February 2002 = 100	All Dwellings Price £	New Dwellings Price £	First-Time Buyer Price £	Former Owner Occupied Price £
2003	119.1	102,206	125,734	85,513	118,288
2004	131.8	109,184	136,850	91,529	121,459
2005	149.7	129,580	150,855	109,997	139,862
2006	184.7	149,721	185,446	126,146	174,423
2007	260.3	230,431	261,303	175,193	252,778
2008	236.6	211,854	246,045	153,705	234,951
2009	196.3	178,536	208,303	126,817	198,867
2010	176.0	161,775	179,587	117,804	178,525
2011	156.8	140,978	165,282	103,442	155,277
2007 Q2	263.6	233,329	265,519	178,952	255,328
2007 Q3	278.6	246,675	276,561	187,343	270,678
2007 Q4	260.4	230,546	262,218	174,567	253,193
2008 Q1	248.0	222,115	265,568	162,742	245,698
2008 Q2	246.5	220,733	256,848	161,888	244,105
2008 Q3	237.6	212,751	243,314	153,852	236,145
2008 Q4	214.2	191,819	218,448	136,338	213,855
2009 Q1	207.6	188,821	225,617	131,289	211,436
2009 Q2	189.9	172,704	201,821	122,795	192,323
2009 Q3	195.9	178,110	206,513	127,521	197,997
2009 Q4	191.9	174,508	199,262	125,662	193,710
2010 Q1	186.5	171,403	191,295	124,673	189,203
2010 Q2	179.6	165,086	183,712	121,091	181,845
2010 Q3	169.5	155,825	168,289	112,538	172,315
2010 Q4	168.4	154,786	175,051	112,914	170,736
2011 Q1	161.6	145,332	165,264	106,038	160,300
2011 Q2	157.2	141,304	163,504	103,741	155,612
2011 Q3	158.0	142,080	170,865	104,203	156,508
2011 Q4	150.4	135,197	161,495	99,785	148,687
Jan-12	148.1	133,156	165,064	98,019	146,541
<b>House Price Peak (Aug 07)</b>	281.5	249,264	278,093	189,084	273,610
<b>% Change</b>					
Jan 12 / Jan 11	-7.6%	-7.6%	2.5%	-6.6%	-7.8%
Last 3 mths / Year	-9.2%	-10.5%	-4.5%	-9.3%	-10.9%
Fall From peak	-47.4%	-46.6%	-40.6%	-48.2%	-46.4%

Source: Department of Communities and Local Government (DCLG) [www.communities.gov.uk/housing/housingresearch](http://www.communities.gov.uk/housing/housingresearch)

**TABLE 2 NORTHERN IRELAND MORTGAGE ACTIVITY STATISTICS**

	All Loans	Loan to Value (LTV) Ratio % (Median)	All First-Time Buyer Loans	First-Time Buyer LTV Ratio % (Median)	Mortgage Arrears (Writs & Summons)	Possession Orders
2003	35,100	79	13,400	90	1,972	604
2004	30,200	77	10,600	90	2,152	740
2005	25,800	78	9,700	89	2,561	823
2006	26,800	75	9,200	85	2,523	919
2007	18,100	65	5,600	75	2,213	711
2008	7,700	67	2,800	80	3,628	1,193
2009	9,500	74	4,500	76	3,905	1,612
2010	10,000	75	4,700	82	3,390	1,872
2011	8,800	76	4,900	84	3,588	1,775
2007 Q2	5,600	66	1,600	78	584	184
2007 Q3	4,300	62	1,400	73	521	81
2007 Q4	2,900	59	1,000	73	542	213
2008 Q1	2,000	57	600	69	754	191
2008 Q2	2,000	63	700	75	929	321
2008 Q3	1,800	72	600	83	1006	264
2008 Q4	1,900	74	900	85	939	417
2009 Q1	1,500	71	700	75	1020	455
2009 Q2	2,300	74	1,000	75	954	457
2009 Q3	2,700	75	1,300	75	1124	168
2009 Q4	3,000	75	1,500	79	807	532
2010 Q1	2,200	75	1,000	82	773	638
2010 Q2	2,600	75	1,200	83	929	438
2010 Q3	2,800	75	1,400	83	863	236
2010 Q4	2,400	74	1,100	80	825	560
2011 Q1	1,800	75	1,000	82	856	542
2011 Q2	2,100	77	1,100	85	939	378
2011 Q3	2,400	78	1,400	85	1063	264
2011 Q4	2,500	79	1,400	84	730	591
Latest Quarter Y/Y	4.2%	N.A.	27%	N.A.	-11.5%	5.5%
Last 4 Quarters Y/Y	-12.0%	N.A.	4.3%	82	5.8%	-5.2%
4Q Average 1982-2007	24,360	86	13,700	92	1,760	752*

Source: Council of Mortgage Lenders (CML): [www.cml.org.uk](http://www.cml.org.uk), NI Courts Service, \* average 2000-2007

**TABLE 3 NORTHERN IRELAND HOUSING STARTS & COMPLETIONS STATISTICS**

	Total Housing Starts	NHBC Registered Starts	Non-NHBC Registered Starts	Total Housing Completions	NHBC Registered Completions	Non-NHBC Registered Completions
2003	13,152	-	-	14,514	10,100	4,414
2004	14,487	10,800	3,687	15,556	10,700	4,856
2005	14,792	10,600	4,192	17,063	10,200	6,863
2006	15,250	8,600	6,650	17,965	10,200	7,765
2007	12,997	7,500	5,497	14,073	8,000	6,073
2008	7,372	3,100	4,272	10,798	5,400	5,398
2009	7,472	3,500	3,972	9,426	4,600	4,826
2010	7,836	3,200	4,636	8,035	3,500	4,535
2011*	6,826	2,000	-	7,632	2,800	-
<i>* 4 quarters to Q3 2011 for Total Starts and Completions</i>						
2007 Q2	3,362	2,300	1,062	3,470	2,400	1,070
2007 Q3	2,640	1,800	840	3,296	1,600	1,696
2007 Q4	3,076	1,100	1,976	2,885	1,800	1,085
2008 Q1	2,773	900	1,873	3,229	1,200	2,029
2008 Q2	2,055	1,100	955	2,541	1,800	741
2008 Q3	1,327	700	627	3,020	1,200	1,820
2008 Q4	1,217	400	817	2,008	1,200	808
2009 Q1	1,757	700	1,057	2,153	1,100	1,053
2009 Q2	2,479	900	1,579	2,326	1,300	1,026
2009 Q3	1,697	1,100	597	2,430	1,100	1,330
2009 Q4	1,539	900	639	2,517	1,100	1,417
2010 Q1	2,712	800	1,912	2,472	900	1,572
2010 Q2	2,023	1,000	1,023	1,539	900	639
2010 Q3	1,823	800	1,023	1,908	800	1,108
2010 Q4	1,278	600	678	2,116	900	1,216
2011 Q1	2,893	400	2,493	2,081	700	1,381
2011 Q2	1,305	600	705	2,004	800	1,204
2011 Q3	1,350	700	650	1,431	700	731
2011 Q4	-	500	-	-	800	-

Source: DSD ([www.dsdni.gov.uk/index/stats\\_andresearch/housing\\_publications.htm](http://www.dsdni.gov.uk/index/stats_andresearch/housing_publications.htm)) & NHBC (Figures rounded to nearest 100)

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**16 March 2012**