

# Northern Ireland Residential Property Price Index Q1 2013

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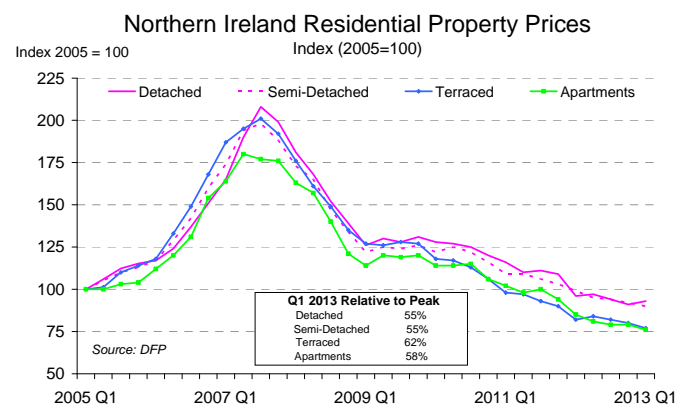
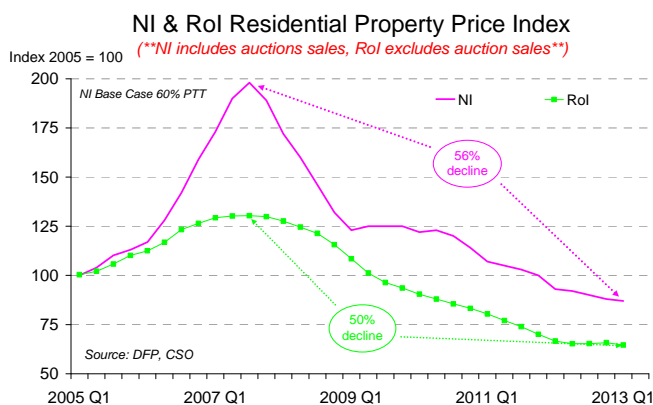
## Background

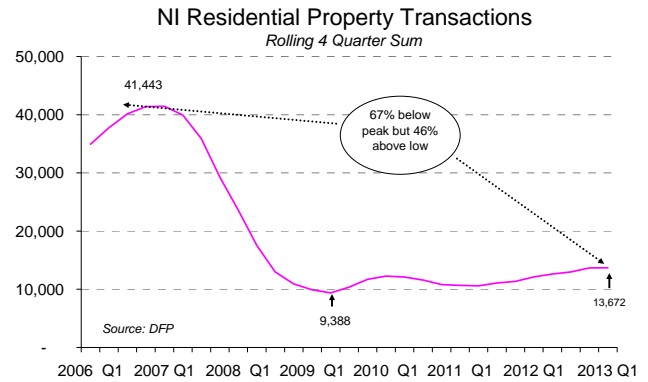
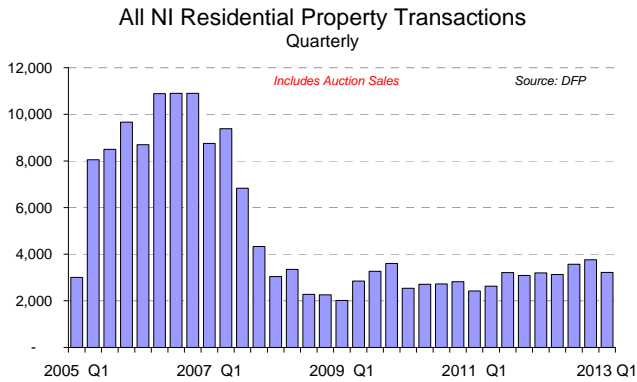
Over the last five years a variety of house price surveys have documented the most significant property correction in UK history. Until May 2012, there were six surveys that provided slightly different views on either the average house price or the direction of house prices. On the 23rd May 2012 the Department of Finance & Personnel (DFP) added a 7th survey to what would appear to be a crowded market place. The latest addition, however, has a number of distinct advantages over the existing set of surveys and is likely to become the one most closely followed. The new Northern Ireland Residential Property Price Index (NI RPPI), unlike the sample-based surveys, includes all the property transactions notified to Her Majesty's Revenues & Customs (HMRC) within Northern Ireland. Therefore it includes almost the complete set of residential property transactions from cash sales (including auctions) to mortgages.

The NI RPPI includes the simple average and median (i.e. the price below/above which half of properties are sold). However, both of these measures do not take account the different type and characteristics (e.g. size, location) of properties sold each quarter. The NI RPPI addresses this issue using a preferred method that calculates a standardised price, which is a hypothecated value based on a weighted combination of prices (e.g. 0.5% of a detached house in North Down, 4% of a terraced house in Belfast etc). This method provides the best measure of an index reflecting pure price changes.

## Northern Ireland residential property prices still falling in Q1 2013

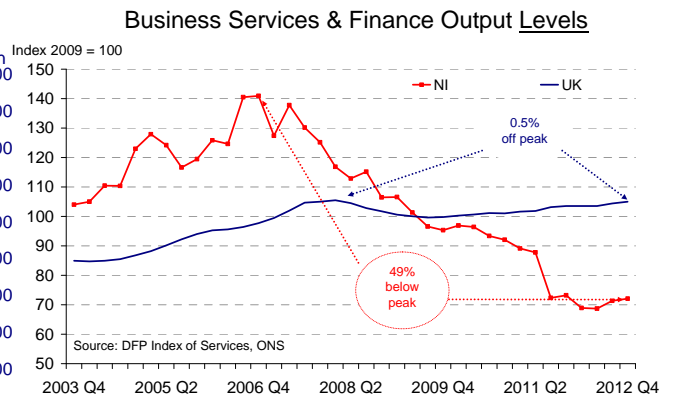
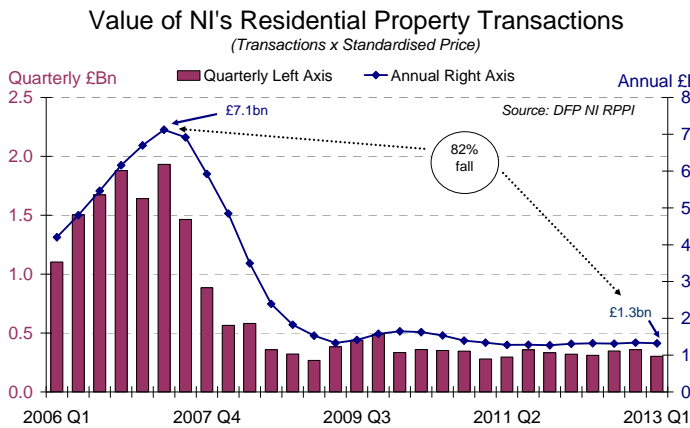
Residential property prices posted a quarterly fall of 1% in Q1 2013 and decreased by 6% relative to Q1 2012. Prices in Belfast recorded the steepest quarterly decline in Q1 (-4%) while those in the West & South of Northern Ireland recorded a quarterly rise of the same amount. It is noted Outer Belfast (-1%), the East of NI (-2%) and North of NI (-1%) all reported quarterly falls in their standardised property prices. Following upward revisions to the earlier data, NI's peak to trough fall in residential prices (housing & apartments) remains at 56% despite the latest quarterly fall. The Outer Belfast area has experienced the lowest peak to trough fall within Northern Ireland at -54%. Next is West & South of N.Ireland at -56% followed by the North and East of Northern Ireland both at -57%. Belfast has experienced the steepest peak to trough falls in residential property prices at -58%. The steeper declines in the Belfast market probably reflects a greater level of market activity and a greater preponderance of auction sales within this market. We still anticipate an overall (all residential property types) peak to trough decline of around 60%. Some property types have already posted decreases of 60% - i.e. terraced properties 62% fall to date. Meanwhile the detached and semi-detached markets have experienced declines of just 55%. It is noted that the Republic of Ireland's residential property price index in Q1 2013 was just over 50% below its Q3 2007 peak. However, this survey excludes auction sales and therefore underestimates the true price correction experienced to date.





**NI residential property sales 67% below peak but 46% above 2009's low**

Outside of price, the other key consideration when analysing a property market is the level of sales activity. Given that the new NI RPPI survey covers all sales picked up by the HMRC, it provides the best measure of housing transactions of all the local house price surveys. In Q1 2013 there were 3,216 residential property transactions. This represented a decrease of 14.5% over the quarter but was 1% higher than the corresponding quarter last year. The Q1 outturn represented the highest level of transactions since Q1 2007 (8,749) and was some 60% higher than the series (*quarterly*) low of 2,015 in Q1 2009. Over the last four quarters (*to Q1 2013*) there were 13,672 residential transactions which is 46% above the low posted in the four quarters to Q2 2009. However, this still remains 67% below the peak recorded over the four quarters to Q1 2007 (41,442). Given that 2006 was something of an abnormal peak in transactions, 2005 is a more useful gauge to benchmark activity. It is noted that that the number of property transactions during the four quarters to Q1 2013 was 53% of 2005's outturn (29,229). Looking at the fall in property transactions in terms of monetary value, it is noted that over the year to Q3 2012 the value of property transactions was 82% below the 2007 peak. Or alternatively, this represents a decline of £5.8bn in nominal terms. This lack of activity explains why activity in Northern Ireland's Business Services & Finance sector is currently (*Q4 2012 latest data*) 49% below its Q3 2006 peak.



Richard Ramsey,  
22<sup>nd</sup> May 2013

## Northern Ireland Residential Property Price Index

### Index 2005 Q1 = 100

	All Property Prices	Detached	Semi-Detached	Terraced	Apartments
2005 Q1	100	100	100	100	100
2005 Q2	104	106	105	101	100
2005 Q3	110	112	110	110	103
2005 Q4	114	115	113	114	104
2006 Q1	118	117	117	118	112
2006 Q2	128	124	129	133	120
2006 Q3	142	137	142	149	131
2006 Q4	160	151	160	168	154
2007 Q1	175	165	174	187	164
2007 Q2	191	190	194	195	180
2007 Q3	199	208	198	201	177
2007 Q4	189	199	188	192	176
2008 Q1	173	181	173	176	163
2008 Q2	161	168	165	161	157
2008 Q3	146	152	147	149	140
2008 Q4	134	139	134	135	121
2009 Q1	123	126	122	127	114
2009 Q2	125	130	125	126	120
2009 Q3	125	128	124	128	119
2009 Q4	126	131	126	127	120
2010 Q1	123	128	122	118	114
2010 Q2	123	127	125	117	114
2010 Q3	121	125	122	113	115
2010 Q4	114	120	116	106	106
2011 Q1	107	116	109	98	102
2011 Q2	105	110	109	97	98
2011 Q3	103	111	106	93	100
2011 Q4	100	109	103	90	94
2012 Q1	93	96	99	82	85
2012 Q2	92	97	95	84	81
2012 Q3	90	94	94	82	79
2012 Q4	88	91	92	80	79
2013 Q1	87	93	90	77	76
Q/Q Change	-1%	2%	-2%	-4%	-4%
Y/Y Change	-7%	-3%	-9%	-6%	-11%
Fall from Peak	-56%	-55%	-55%	-62%	-58%

Source: DFP NI RPPI May 2013

## NI Average Sales Prices Q1 2005 - Q1 2013

## Standardised NI Residential Property Price

Quarter	Simple Mean	Simple Median	Standardised Price (RPPI)	Quarter	Detached	Semi-Detached	Terraced	Apartment
2005 Q1	£116,325	£100,000	£108,239	2005 Q1	£161,290	£104,899	£80,119	£98,729
2005 Q2	£120,578	£105,500	£112,279	2005 Q2	£170,572	£110,189	£81,157	£98,411
2005 Q3	£128,908	£115,000	£119,175	2005 Q3	£181,064	£115,112	£88,230	£101,414
2005 Q4	£129,618	£117,000	£122,487	2005 Q4	£184,972	£118,977	£90,947	£103,025
2006 Q1	£133,152	£120,000	£126,844	2006 Q1	£189,255	£122,910	£94,749	£110,729
2006 Q2	£145,478	£130,000	£138,208	2006 Q2	£200,370	£134,898	£106,387	£118,297
2006 Q3	£164,159	£145,000	£153,370	2006 Q3	£221,391	£149,205	£119,211	£128,940
2006 Q4	£179,299	£160,000	£172,285	2006 Q4	£244,068	£167,883	£134,462	£152,147
2007 Q1	£198,072	£175,000	£187,603	2007 Q1	£265,663	£182,988	£150,051	£161,794
2007 Q2	£216,870	£193,000	£205,986	2007 Q2	£306,097	£203,650	£156,597	£177,331
2007 Q3	£234,133	£200,000	£214,477	2007 Q3	£335,812	£208,014	£160,908	£174,611
2007 Q4	£231,717	£192,000	£204,284	2007 Q4	£320,385	£197,022	£154,180	£173,420
2008 Q1	£212,124	£175,000	£186,469	2008 Q1	£292,330	£181,197	£141,195	£161,241
2008 Q2	£188,519	£165,000	£173,561	2008 Q2	£271,310	£173,138	£129,025	£155,436
2008 Q3	£175,782	£152,000	£157,767	2008 Q3	£245,225	£154,094	£119,365	£138,056
2008 Q4	£161,613	£144,887	£143,080	2008 Q4	£223,606	£140,210	£108,351	£119,909
2009 Q1	£146,401	£130,000	£132,654	2009 Q1	£203,759	£127,922	£102,031	£112,422
2009 Q2	£148,977	£132,000	£134,772	2009 Q2	£209,928	£130,855	£100,869	£118,291
2009 Q3	£149,475	£135,000	£135,018	2009 Q3	£206,486	£130,432	£102,870	£117,050
2009 Q4	£151,715	£137,500	£135,699	2009 Q4	£210,520	£131,654	£101,666	£118,508
2010 Q1	£148,220	£124,000	£132,013	2010 Q1	£205,648	£127,745	£94,899	£112,095
2010 Q2	£142,696	£125,000	£132,996	2010 Q2	£205,133	£131,028	£93,608	£112,726
2010 Q3	£141,080	£125,000	£129,887	2010 Q3	£200,839	£127,507	£90,546	£113,911
2010 Q4	£135,204	£120,000	£123,160	2010 Q4	£193,483	£122,200	£84,837	£104,701
2011 Q1	£127,315	£112,000	£116,194	2011 Q1	£186,836	£114,618	£78,572	£100,628
2011 Q2	£124,835	£112,000	£113,128	2011 Q2	£177,385	£114,021	£77,433	£96,916
2011 Q3	£126,054	£111,500	£111,301	2011 Q3	£179,511	£110,813	£74,545	£98,356
2011 Q4	£121,489	£106,000	£108,037	2011 Q4	£176,088	£108,450	£71,785	£92,345
2012 Q1	£115,643	£100,253	£100,483	2012 Q1	£155,393	£104,180	£65,609	£84,347
2012 Q2	£112,140	£98,000	£99,685	2012 Q2	£156,103	£99,860	£67,649	£80,081
2012 Q3	£115,975	£100,000	£97,705	2012 Q3	£151,604	£99,041	£65,840	£78,233
2012 Q4	£111,903	£96,000	£95,305	2012 Q4	£147,025	£96,204	£64,242	£78,197
2013 Q1	£108,766	£91,000	£94,311	2013 Q1	£149,828	£94,583	£61,789	£74,745

Source: DFP NI RPPI May 2013

Source: DFP NI RPPI May 2013

## NI Residential Property Price Index & Standardised Price of Properties Sold in each NUTS3 Area

Regional Area	Index (Quarter 1 2013)	% Change on Previous Quarter	% Change over 12 months	Q1 2013 relative to Peak	Standardised Price (Quarter 1 2013)
Belfast	84	-4%	-7%	-58%	£86,907
Outer Belfast	92	-1%	-5%	-54%	£106,263
East of N.Ireland	87	-2%	-7%	-57%	£92,355
North of N.Ireland	85	-1%	-7%	-57%	£88,707
West & South of N.Ireland	84	4%	-5%	-56%	£92,395
Northern Ireland	87	-1%	-6%	-56%	£94,311

Source: DFP NI RPPI May 2013

### Standardised Residential Property Price & Index by NI Region

	Belfast Standardised Price	Belfast RPPI	Outer Belfast Standardised Price	Outer Belfast RPPI	East of N.Ireland Standardised Price	East of N.Ireland RPPI	North of N. Ireland Standardised Price	North of Northern Ireland RPPI	West & South of N. Ireland Standardised Price	West & South of N.Ireland RPPI
2005 Q1	£104,003	100	£114,980	100	£106,462	100	£104,955	100	£109,562	100
2005 Q2	£105,157	101	£119,811	104	£108,027	101	£110,841	106	£119,028	108
2005 Q3	£114,360	110	£125,635	109	£113,994	107	£118,782	113	£125,304	114
2005 Q4	£114,776	110	£128,264	112	£117,352	110	£123,087	117	£131,729	120
2006 Q1	£117,336	113	£130,833	114	£121,886	114	£130,134	124	£138,296	126
2006 Q2	£132,694	128	£143,740	125	£131,595	124	£139,108	133	£148,440	135
2006 Q3	£148,334	143	£160,533	140	£146,126	137	£153,639	146	£162,754	147
2006 Q4	£167,779	161	£181,559	158	£165,535	155	£166,938	159	£181,555	164
2007 Q1	£178,508	172	£199,326	173	£186,351	175	£179,541	171	£194,343	176
2007 Q2	£196,923	189	£219,529	191	£204,953	193	£196,055	187	£211,809	192
2007 Q3	£207,252	199	£230,610	201	£214,786	202	£205,713	196	£209,171	190
2007 Q4	£190,011	183	£227,866	198	£200,846	189	£199,752	190	£202,061	183
2008 Q1	£171,040	164	£203,268	177	£186,905	176	£179,400	171	£188,281	171
2008 Q2	£159,952	154	£190,570	166	£173,660	163	£171,354	163	£168,128	153
2008 Q3	£150,062	144	£166,243	145	£157,575	148	£154,838	148	£156,611	143
2008 Q4	£128,506	124	£149,341	130	£148,102	139	£142,290	136	£144,411	131
2009 Q1	£121,157	116	£137,320	119	£135,413	127	£128,963	123	£136,967	124
2009 Q2	£129,919	125	£141,616	123	£133,312	125	£125,542	120	£140,864	128
2009 Q3	£133,120	128	£142,832	124	£134,815	127	£124,314	118	£136,238	124
2009 Q4	£131,115	126	£141,738	123	£136,499	128	£129,493	123	£137,844	125
2010 Q1	£125,067	120	£140,301	122	£129,659	122	£127,771	122	£135,410	123
2010 Q2	£125,319	120	£143,749	125	£131,373	123	£127,532	122	£132,791	121
2010 Q3	£122,164	117	£142,040	124	£128,437	121	£119,227	114	£131,955	120
2010 Q4	£111,777	107	£131,053	114	£122,871	115	£122,132	116	£125,209	114
2011 Q1	£105,647	102	£126,151	110	£117,006	110	£113,685	108	£117,893	107
2011 Q2	£105,579	102	£122,440	106	£112,857	106	£108,044	103	£113,514	102
2011 Q3	£104,826	101	£121,580	106	£111,979	105	£104,788	100	£109,293	99
2011 Q4	£100,338	96	£119,201	104	£107,039	101	£102,873	98	£106,325	97
2012 Q1	£93,474	90	£111,526	97	£99,458	93	£95,622	91	£98,019	89
2012 Q2	£93,951	90	£111,205	97	£99,175	93	£94,278	90	£94,847	86
2012 Q3	£93,046	89	£110,403	96	£96,434	91	£89,995	86	£93,680	85
2012 Q4	£90,352	87	£107,439	93	£94,262	89	£89,378	85	£89,317	82
2013 Q1	£86,907	84	£106,263	92	£92,355	87	£88,707	85	£93,170	84
Q/Q Change		-4%		-1%		-2%		-1%		4%
Y/Y Change		-7%		-5%		-7%		-7%		-5%
Fall from Peak		-58%		-54%		-57%		-57%		-56%

Source: DFP NI RPPI May 2013

### Median Sale Price of Residential Properties Sold between April 2012 - March 2013 By Property Type & Location

Local Government District	Detached	Semi-Detached	Terrace	Apartment	Total
Antrim	£150,000	£109,500	£60,000	£70,000	£100,000
Ards	£172,000	£100,000	£68,000	£55,000	£100,000
Armagh	£120,000	£73,750	£53,500	£45,000	£85,000
Ballymena	£149,000	£101,000	£67,500	£82,900	£107,888
Ballymoney	£107,500	£77,000	£58,000	N/A	£90,000
Banbridge	£145,000	£85,000	£61,000	£66,000	£88,000
Belfast	£230,000	£120,000	£62,517	£85,000	£87,000
Carrickfergus	£150,000	£103,500	£57,000	£85,000	£99,950
Castlereagh	£180,000	£125,000	£77,000	£75,000	£124,000
Coleraine	£135,000	£95,000	£80,000	£110,000	£113,725
Cookstown	£125,000	£84,000	£68,000	N/A	£87,000
Craigavon	£125,000	£80,000	£48,000	£57,750	£75,000
Derry	£140,000	£95,000	£60,250	£48,000	£86,250
Down	£145,000	£99,500	£70,000	£82,500	£112,750
Dungannon	£125,000	£85,000	£60,000	N/A	£90,000
Fermanagh	£133,000	£75,500	£57,000	£87,500	£90,250
Larne	£130,000	£85,000	£60,000	£61,450	£82,000
Limavady	£120,000	£80,000	£50,000	N/A	£91,000
Lisburn	£176,250	£107,000	£74,500	£72,500	£112,500
Magherafelt	£124,750	£87,750	£68,500	N/A	£90,000
Moyle	£145,000	£98,000	£120,250	N/A	£120,000
Newry & Mourne	£140,000	£87,000	£60,000	£65,000	£90,000
Newtownabbey	£155,000	£100,000	£58,500	£60,000	£99,975
North Down	£185,000	£113,000	£85,000	£89,950	£120,000
Omagh	£122,750	£82,000	£55,000	N/A	£90,000
Strabane	£100,000	£66,000	£50,750	N/A	£71,500

Source: DFP NI RPPI May 2013

## Northern Ireland Residential Property Transactions

	All Transactions	Detached	Semi-Detached	Terraced	Apartments
2005 Q1	3,009	829	917	1,062	200
2005 Q2	8,055	2,240	2,502	2,828	485
2005 Q3	8,498	2,314	2,675	2,969	540
2005 Q4	9,667	2,515	3,018	3,511	623
2006 Q1	8,694	2,221	2,676	3,208	589
2006 Q2	10,889	2,851	3,259	3,907	872
2006 Q3	10,901	2,996	3,146	3,910	849
2006 Q4	10,903	2,787	3,149	4,098	869
2007 Q1	8,749	2,212	2,482	3,363	692
2007 Q2	9,378	2,338	2,706	3,599	735
2007 Q3	6,828	1,935	1,892	2,476	525
2007 Q4	4,330	1,162	1,226	1,516	426
2008 Q1	3,038	788	883	1,128	239
2008 Q2	3,347	824	1,036	1,166	321
2008 Q3	2,272	609	691	796	176
2008 Q4	2,255	620	722	746	167
2009 Q1	2,015	536	674	628	177
2009 Q2	2,846	737	1,027	851	231
2009 Q3	3,262	871	1,126	1,036	229
2009 Q4	3,600	999	1,243	1,106	252
2010 Q1	2,538	650	807	859	222
2010 Q2	2,712	744	928	852	188
2010 Q3	2,719	712	909	964	134
2010 Q4	2,818	828	845	937	208
2011 Q1	2,418	664	774	820	160
2011 Q2	2,624	764	812	817	231
2011 Q3	3,214	963	1,029	951	271
2011 Q4	3,085	900	989	933	263
2012 Q1	3,195	947	975	1,023	250
2012 Q2	3,128	899	979	989	261
2012 Q3	3,567	1,122	1,140	1,029	276
2012 Q4	3,761	1,172	1,153	1,173	263
2013 Q1	3,216	955	996	1,016	249
Q/Q Change	-14%	-19%	-14%	-13%	-5%
Y/Y Change	1%	1%	2%	-1%	0%
Last 4 Quarters	16,867	5,095	5,243	5,230	1,299

Source: DFP NI RPPI May 2013

## Northern Ireland Residential Property Transactions 4 Quarter Rolling Sum

	All Transactions	Detached	Semi-Detached	Terraced	Apartments
2005 Q4	29,229	7,898	9,112	10,370	1,848
2006 Q1	34,914	9,290	10,871	12,516	2,237
2006 Q2	37,748	9,901	11,628	13,595	2,624
2006 Q3	40,151	10,583	12,099	14,536	2,933
2006 Q4	41,387	10,855	12,230	15,123	3,179
2007 Q1	41,442	10,846	12,036	15,278	3,282
2007 Q2	39,931	10,333	11,483	14,970	3,145
2007 Q3	35,858	9,272	10,229	13,536	2,821
2007 Q4	29,285	7,647	8,306	10,954	2,378
2008 Q1	23,574	6,223	6,707	8,719	1,925
2008 Q2	17,543	4,709	5,037	6,286	1,511
2008 Q3	12,987	3,383	3,836	4,606	1,162
2008 Q4	10,912	2,841	3,332	3,836	903
2009 Q1	9,889	2,589	3,123	3,336	841
2009 Q2	9,388	2,502	3,114	3,021	751
2009 Q3	10,378	2,764	3,549	3,261	804
2009 Q4	11,723	3,143	4,070	3,621	889
2010 Q1	12,246	3,257	4,203	3,852	934
2010 Q2	12,112	3,264	4,104	3,853	891
2010 Q3	11,569	3,105	3,887	3,781	796
2010 Q4	10,787	2,934	3,489	3,612	752
2011 Q1	10,667	2,948	3,456	3,573	690
2011 Q2	10,579	2,968	3,340	3,538	733
2011 Q3	11,074	3,219	3,460	3,525	870
2011 Q4	11,341	3,291	3,604	3,521	925
2012 Q1	12,118	3,574	3,805	3,724	1,015
2012 Q2	12,622	3,709	3,972	3,896	1,321
2012 Q3	12,975	3,868	4,083	3,974	1,313
2012 Q4	13,651	4,140	4,247	4,214	1,299
2013 Q1	13,672	4,148	4,268	4,207	1,049
Q/Q Change	0%	0%	0%	0%	-19%
Y/Y Change	13%	16%	12%	13%	3%
2013 Q1 v Peak	-67%	-62%	-65%	-72%	-68%
Rise from Low	46%	66%	37%	39%	52%

Source: DFP NI RPPI May 2013

Richard Ramsey,  
22<sup>nd</sup> May 2013

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