

# Northern Ireland Residential Property Price Index Q2 2012

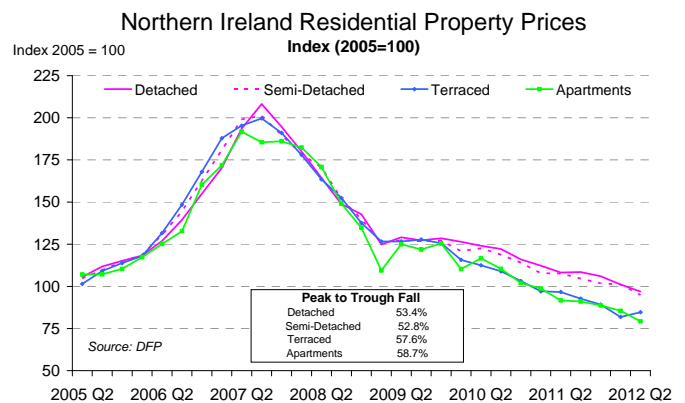
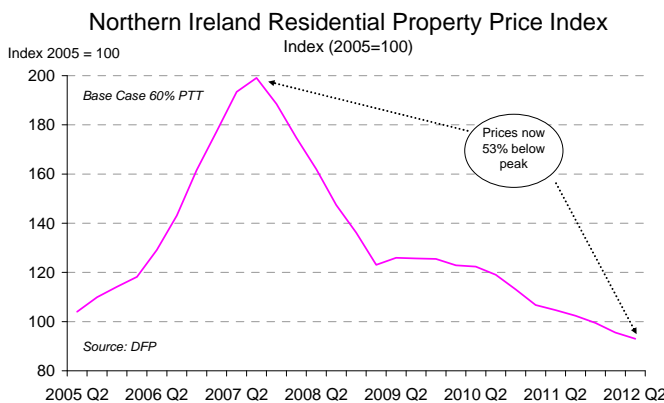
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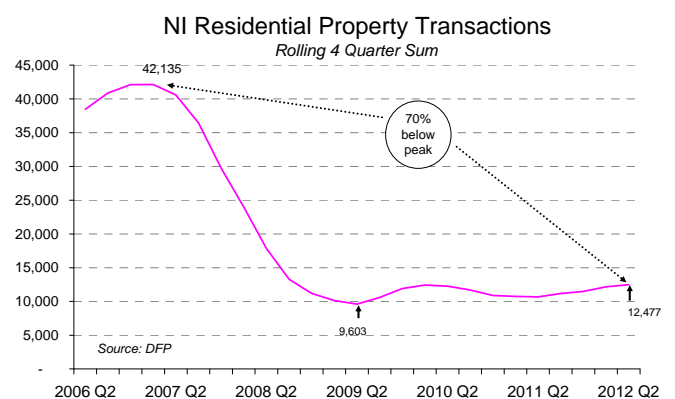
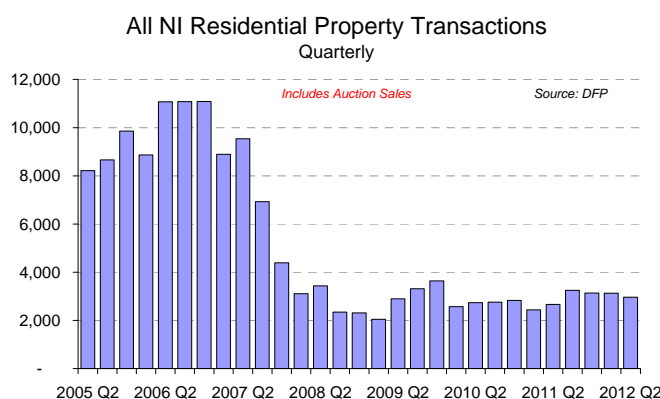
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## Northern Ireland Residential Property Prices Still Falling in Q2 2012

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 23<sup>rd</sup> May the Department of Finance & Personnel (DFP) added a 7<sup>th</sup> 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 the complete set of residential property transactions from cash sales (including auctions) to house purchases via a mortgage.

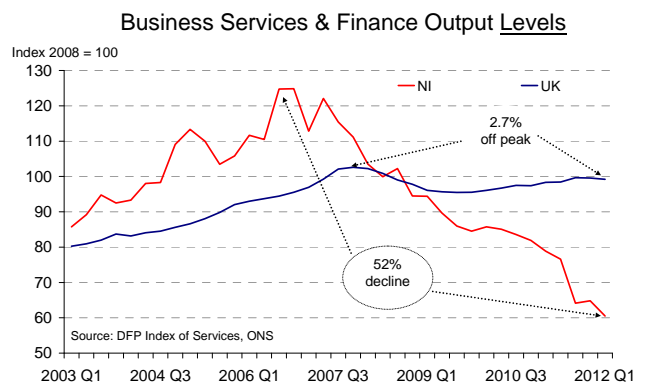
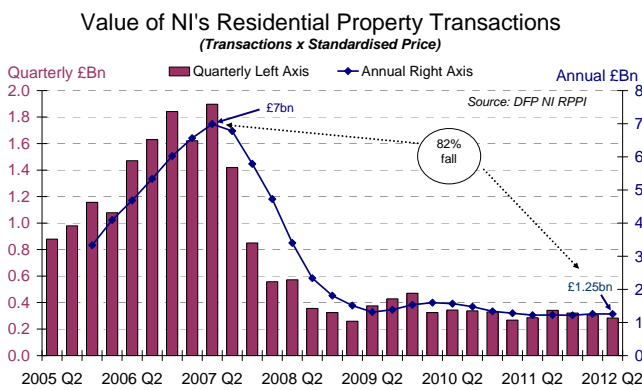


The NI RPPI includes the simple average and median (i.e. the price below/above which half of properties are sold). However, both of these measures do not take account the different type and characteristics (e.g. size, location) of properties sold each quarter. The NI RPPI addresses this issue using a 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. Residential property prices posted a quarterly fall of 3% in Q2 2012 and decreased by 11% relative to Q2 2011. Prices in Belfast and Outer Belfast stabilized in Q2 2012 whilst all other parts of Northern Ireland posted declines. Meanwhile since the peak in Q3 2007, residential prices (housing & apartments) have fallen by 53% with all parts of Northern Ireland recording house price falls in excess of 50%. We still anticipate an overall (all residential property types) peak to trough decline of 60%. Some property types have almost posted 60% decreases already. The apartment and terraced property sector have recorded price falls of 59% and 58% respectively. Meanwhile the detached and semi-detached markets have experience declines of 53%.



**Northern Ireland residential property sales remain over 70% below peak**

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. Previously the two surveys with the largest sample sizes were the Department for Communities & Local Government (*DCLG*) and the University of Ulster Quarterly House Price indices. Their sample sizes for Q1 2012 were 957 and 925 respectively which represents just 30% of the transactions within the new NI RPPI. In Q2 2012 there were 2,962 residential property transactions. This represented a decrease of 5.5% over the quarter but was 11.3% higher than the corresponding quarter a year ago. The number of transactions in Q2 2012 is some 45% higher than the series low of 2,044 in Q1 2009. Over the last four quarters to Q2 2012 there were 12,477 residential transactions which is 30% above the low posted in the four quarters to Q2 2009. However, this still remains 70% below the peak recorded over the four quarters to Q1 2007 (42,135). This lack of activity explains why activity in Northern Ireland’s Business Services & Finance sector is currently (*Q1 2012 latest data*) below its Q4 2006 peak.



Richard Ramsey,  
23rd August 2012

## 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	107
2005 Q3	110	112	110	109	107
2005 Q4	114	115	115	114	110
2006 Q1	118	118	119	118	117
2006 Q2	129	127	131	132	125
2006 Q3	143	139	144	148	133
2006 Q4	162	155	163	168	160
2007 Q1	177	170	181	188	172
2007 Q2	193	194	199	195	192
2007 Q3	199	208	201	200	185
2007 Q4	188	195	190	191	186
2008 Q1	175	180	178	178	182
2008 Q2	162	164	171	163	171
2008 Q3	147	149	152	152	149
2008 Q4	136	143	140	138	135
2009 Q1	123	125	126	127	109
2009 Q2	126	129	127	127	125
2009 Q3	126	127	127	128	122
2009 Q4	126	129	127	126	125
2010 Q1	123	126	121	116	110
2010 Q2	122	124	123	112	117
2010 Q3	119	122	119	109	110
2010 Q4	113	116	114	103	102
2011 Q1	107	112	108	97	99
2011 Q2	105	108	108	97	92
2011 Q3	102	108	105	93	91
2011 Q4	99	106	102	89	89
2012 Q1	96	101	101	82	86
2012 Q2	93	97	95	85	79
Q/Q Change	-3%	-4%	-6%	3%	-7%
Y/Y Change	-11%	-10%	-12%	-12%	-14%
Fall from Peak	-53%	-53%	-53%	-58%	-59%

Source: DFP NI RPPI August 2012

## NI Average Sales Prices Q1 2005 - Q2 2012

Quarter	Simple Mean	Simple Median	Standardised Price (RPPI)
2005 Q1	£116,686	£100,000	£102,809
2005 Q2	£120,091	£105,450	£106,962
2005 Q3	£129,000	£115,000	£113,015
2005 Q4	£129,940	£117,000	£117,378
2006 Q1	£133,151	£120,000	£121,521
2006 Q2	£145,264	£130,000	£132,769
2006 Q3	£163,900	£145,000	£147,120
2006 Q4	£179,103	£160,000	£166,122
2007 Q1	£197,957	£175,000	£182,340
2007 Q2	£216,359	£192,500	£198,826
2007 Q3	£234,083	£200,000	£204,659
2007 Q4	£230,705	£191,250	£193,790
2008 Q1	£211,428	£175,000	£179,647
2008 Q2	£189,058	£165,000	£166,489
2008 Q3	£177,173	£152,500	£151,586
2008 Q4	£161,866	£144,887	£140,005
2009 Q1	£146,312	£130,000	£126,537
2009 Q2	£148,941	£132,500	£129,516
2009 Q3	£149,675	£135,000	£129,219
2009 Q4	£152,126	£137,500	£129,039
2010 Q1	£147,866	£124,000	£126,338
2010 Q2	£142,769	£125,000	£125,834
2010 Q3	£140,806	£125,000	£122,380
2010 Q4	£135,579	£120,000	£116,228
2011 Q1	£127,420	£112,438	£109,731
2011 Q2	£125,403	£112,500	£107,596
2011 Q3	£126,881	£112,500	£105,289
2011 Q4	£121,569	£107,000	£102,248
2012 Q1	£115,048	£100,000	£98,274
2012 Q2	£111,521	£96,000	£95,623

Source: DFP NI RPPI August 2012

## Standardised NI Residential Property Price

Quarter	Detached	Semi-Detached	Terraced	Apartment
2005 Q1	£154,077	£101,791	£83,973	£93,887
2005 Q2	£162,917	£106,943	£85,539	£100,495
2005 Q3	£173,049	£112,065	£92,256	£100,583
2005 Q4	£177,593	£116,590	£96,141	£103,652
2006 Q1	£180,852	£120,423	£99,264	£110,163
2006 Q2	£193,391	£132,285	£110,943	£117,505
2006 Q3	£213,033	£146,516	£125,268	£124,638
2006 Q4	£235,076	£164,403	£140,818	£150,547
2007 Q1	£256,840	£180,312	£149,641	£159,415
2007 Q2	£293,392	£198,931	£156,002	£177,957
2007 Q3	£319,376	£202,256	£159,218	£172,109
2007 Q4	£300,828	£191,637	£152,532	£172,653
2008 Q1	£278,552	£177,441	£139,876	£164,602
2008 Q2	£256,513	£170,253	£128,495	£154,221
2008 Q3	£232,316	£151,562	£119,485	£134,686
2008 Q4	£219,575	£138,270	£107,887	£121,732
2009 Q1	£194,699	£125,880	£101,559	£106,838
2009 Q2	£200,850	£127,268	£101,345	£122,002
2009 Q3	£199,417	£127,538	£102,264	£119,015
2009 Q4	£202,115	£128,086	£100,796	£122,479
2010 Q1	£196,549	£125,561	£94,896	£115,901
2010 Q2	£193,401	£127,709	£92,470	£122,621
2010 Q3	£192,056	£124,206	£89,598	£115,996
2010 Q4	£182,221	£118,971	£84,263	£107,177
2011 Q1	£176,991	£112,084	£78,460	£105,485
2011 Q2	£170,686	£111,797	£77,928	£97,985
2011 Q3	£172,400	£109,065	£74,839	£97,313
2011 Q4	£166,925	£106,092	£72,381	£94,854
2012 Q1	£148,011	£102,165	£65,304	£86,000
2012 Q2	£141,900	£95,836	£67,534	£79,705

Source: DFP NI RPPI August 2012

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

Regional Area	Index (Quarter 2 2012)	% Change on Previous Quarter	% Change over 12 months	Q2 2012 relative to Peak	Standardised Price (Quarter 2 2012)
Belfast	91	0%	-12%	54%	£92,699
Outer Belfast	97	0%	-10%	52%	£108,669
East of N.Ireland	95	-2%	-10%	53%	£95,482
North of N.Ireland	90	-5%	-10%	54%	£87,887
West & South of N.Ireland	86	-10%	-14%	55%	£84,893
Northern Ireland	93	-3%	-11%	53%	£95,623

Source: DFP NI RPPI August 2012

**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	£103,090	100	£113,130	100	£103,442	100	£101,759	100	£104,821	100
2005 Q2	£104,675	102	£118,578	105	£106,547	103	£106,790	105	£111,992	107
2005 Q3	£112,822	109	£124,220	110	£112,120	108	£114,215	112	£118,062	113
2005 Q4	£114,615	111	£127,820	113	£115,926	112	£118,851	117	£125,300	120
2006 Q1	£116,752	113	£129,919	115	£119,957	116	£125,362	123	£130,834	125
2006 Q2	£131,210	127	£142,050	126	£130,598	126	£135,051	133	£140,560	134
2006 Q3	£147,473	143	£159,481	141	£145,200	140	£148,582	146	£154,530	147
2006 Q4	£167,298	162	£180,284	159	£164,929	159	£161,688	159	£172,814	165
2007 Q1	£178,400	173	£198,393	175	£184,737	179	£174,976	172	£185,064	177
2007 Q2	£196,179	190	£217,584	192	£201,603	195	£189,024	186	£200,451	191
2007 Q3	£204,118	198	£227,824	201	£211,189	204	£196,884	193	£198,512	189
2007 Q4	£186,716	181	£225,163	199	£196,397	190	£189,515	186	£188,219	180
2008 Q1	£169,326	164	£201,563	178	£184,037	178	£173,804	171	£176,725	169
2008 Q2	£159,674	155	£188,337	166	£170,871	165	£164,721	162	£158,957	152
2008 Q3	£149,186	145	£167,194	148	£155,579	150	£151,324	149	£147,021	140
2008 Q4	£129,325	125	£150,401	133	£146,586	142	£141,680	139	£139,182	133
2009 Q1	£122,161	118	£137,845	122	£132,296	128	£124,615	122	£130,138	124
2009 Q2	£129,570	126	£141,993	126	£131,566	127	£121,855	120	£132,863	127
2009 Q3	£132,406	128	£143,323	127	£132,366	128	£118,854	117	£130,910	125
2009 Q4	£130,662	127	£141,631	125	£133,864	129	£123,712	122	£130,815	125
2010 Q1	£127,298	123	£140,239	124	£128,758	124	£123,180	121	£128,587	123
2010 Q2	£126,492	123	£143,026	126	£127,825	124	£121,825	120	£123,241	118
2010 Q3	£121,087	117	£141,962	125	£125,774	122	£113,399	111	£123,628	118
2010 Q4	£111,731	108	£130,630	115	£119,581	116	£113,976	112	£117,056	112
2011 Q1	£105,274	102	£125,143	111	£115,379	112	£110,422	109	£109,634	105
2011 Q2	£105,205	102	£122,409	108	£112,549	109	£104,602	103	£108,872	104
2011 Q3	£104,381	101	£121,493	107	£114,021	110	£100,151	98	£104,169	99
2011 Q4	£100,151	97	£119,188	105	£107,291	104	£97,734	96	£99,597	95
2012 Q1	£92,720	91	£109,126	97	£97,106	97	£92,154	94	£93,805	95
2012 Q2	£92,699	91	£108,669	97	£95,482	95	£87,887	90	£84,893	86
Q/Q Change		0%		0%		-2%		-5%		-10%
Y/Y Change		-11%		-11%		-13%		-13%		-17%
Fall from Peak		-54%		-52%		-53%		-54%		-55%

Source: DFP NI RPPI August 2012

**Median Sale Price of Residential Properties Sold between July 2011 - June 2012 By Property Type & Location**

Local Government District	Detached	Semi-Detached	Terrace	Apartment
Antrim	£165,000	£115,000	£62,175	£72,500
Ards	£178,000	£115,000	£72,750	£63,000
Armagh	£127,500	£85,000	£61,500	N/A
Ballymena	£160,000	£105,000	£62,000	£72,500
Ballymoney	£125,000	£86,000	£58,000	N/A
Banbridge	£157,000	£95,000	£65,000	N/A
Belfast	£225,000	£121,000	£65,000	£98,000
Carrickfergus	£153,250	£108,000	£63,500	£83,250
Castlereagh	£189,950	£135,000	£88,000	£89,950
Coleraine	£149,975	£100,000	£85,000	£132,500
Cookstown	£138,250	£85,500	£67,750	N/A
Craigavon	£130,000	£84,000	£50,000	£42,500
Derry	£145,000	£105,000	£60,300	£51,200
Down	£158,500	£102,500	£75,500	£82,500
Dungannon	£130,000	£91,000	£61,500	N/A
Fermanagh	£136,000	£93,250	£68,000	£90,000
Larne	£151,500	£89,500	£58,500	£65,500
Limavady	£123,500	£95,000	£57,500	N/A
Lisburn	£170,000	£117,500	£74,000	£75,500
Magherafelt	£135,000	£90,000	£67,500	N/A
Moyle	£125,000	£100,000	£80,000	N/A
Newry & Mourne	£150,000	£100,000	£67,000	£78,000
Newtownabbey	£169,000	£109,975	£65,000	£79,950
North Down	£195,000	£119,650	£77,500	£85,250
Omagh	£132,500	£90,000	£60,000	N/A
Strabane	£92,500	£75,000	£56,000	N/A

Source: DFP NI RPPI August 2012

## Northern Ireland Residential Property Transactions

	All Transactions	Detached	Semi-Detached	Terraced	Apartments
2005 Q1	3,076	855	943	1,078	200
2005 Q2	8,220	2,320	2,550	2,863	487
2005 Q3	8,660	2,382	2,717	3,027	534
2005 Q4	9,855	2,592	3,082	3,556	625
2006 Q1	8,870	2,296	2,737	3,248	589
2006 Q2	11,074	2,926	3,324	3,965	859
2006 Q3	11,081	3,081	3,197	3,954	849
2006 Q4	11,087	2,880	3,200	4,142	865
2007 Q1	8,893	2,300	2,519	3,388	686
2007 Q2	9,542	2,428	2,738	3,641	735
2007 Q3	6,931	2,001	1,920	2,492	518
2007 Q4	4,389	1,190	1,240	1,532	427
2008 Q1	3,108	824	906	1,141	237
2008 Q2	3,438	861	1,061	1,191	325
2008 Q3	2,347	639	713	816	179
2008 Q4	2,313	644	741	759	169
2009 Q1	2,044	546	681	637	180
2009 Q2	2,899	758	1,050	863	228
2009 Q3	3,314	896	1,144	1,046	228
2009 Q4	3,642	1,021	1,257	1,116	248
2010 Q1	2,571	659	821	865	226
2010 Q2	2,735	757	938	855	185
2010 Q3	2,756	721	925	973	137
2010 Q4	2,830	834	847	939	210
2011 Q1	2,436	669	784	821	162
2011 Q2	2,662	779	820	825	238
2011 Q3	3,247	971	1,043	957	276
2011 Q4	3,135	917	1,005	951	262
2012 Q1	3,133	929	959	1,009	236
2012 Q2	2,962	853	935	943	231
Q/Q Change	-5%	-8%	-3%	-7%	-2%
Y/Y Change	11%	9%	14%	14%	-3%
Last 4 Quarters	12,477	3,670	3,942	3,860	1,005

Source: DFP NI RPPI August 2012

## Northern Ireland Residential Property Transactions 4 Quarter Rolling Sum

	All Transactions	Detached	Semi-Detached	Terraced	Apartments
2005 Q4	29,811	8,149	9,292	10,524	1,846
2006 Q1	35,605	9,590	11,086	12,694	2,235
2006 Q2	38,459	10,196	11,860	13,796	2,607
2006 Q3	40,880	10,895	12,340	14,723	2,922
2006 Q4	42,112	11,183	12,458	15,309	3,162
2007 Q1	42,135	11,187	12,240	15,449	3,259
2007 Q2	40,603	10,689	11,654	15,125	3,135
2007 Q3	36,453	9,609	10,377	13,663	2,804
2007 Q4	29,755	7,919	8,417	11,053	2,366
2008 Q1	23,970	6,443	6,804	8,806	1,917
2008 Q2	17,866	4,876	5,127	6,356	1,507
2008 Q3	13,282	3,514	3,920	4,680	1,168
2008 Q4	11,206	2,968	3,421	3,907	910
2009 Q1	10,142	2,690	3,196	3,403	853
2009 Q2	9,603	2,587	3,185	3,075	756
2009 Q3	10,570	2,844	3,616	3,305	805
2009 Q4	11,899	3,221	4,132	3,662	884
2010 Q1	12,426	3,334	4,272	3,890	930
2010 Q2	12,262	3,333	4,160	3,882	887
2010 Q3	11,704	3,158	3,941	3,809	796
2010 Q4	10,892	2,971	3,531	3,632	758
2011 Q1	10,757	2,981	3,494	3,588	694
2011 Q2	10,684	3,003	3,376	3,558	747
2011 Q3	11,175	3,253	3,494	3,542	886
2011 Q4	11,480	3,336	3,652	3,554	938
2012 Q1	12,177	3,596	3,827	3,742	1,012
2012 Q2	12,477	3,670	3,942	3,860	1,005
Y/Y Change	17%	22%	17%	8%	35%
2012 Q2 v Peak	-70%	-67%	-68%	-75%	-69%
Rise from Low	30%	42%	24%	26%	45%

Source: DFP NI RPPI August 2012

Richard Ramsey,  
23<sup>rd</sup> August 2012

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