

Northern Ireland House Price Index April - June 2016 (Quarter 2 2016)



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<https://www.finance-ni.gov.uk/articles/northern-ireland-house-price-index>

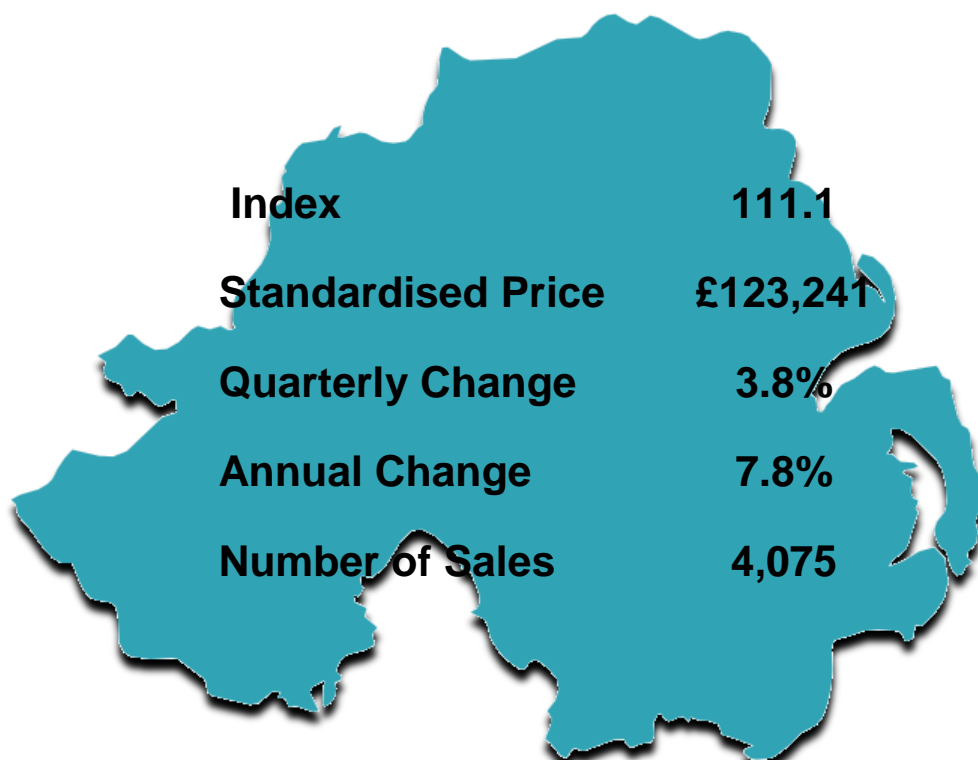
The **House Price Index (HPI)** is designed to provide a measure of change in the price of a standardised residential property sold in Northern Ireland. The index uses information on all verified residential property sales as recorded by HM Revenue & Customs.

The following enhancements to the HPI methodology were introduced for Q1 2016 results:

- prices for all dwellings are predicted using the same characteristics (no longer a composite index)
- building status (new/old) has been added to the characteristics used to predict price
- a price index is now available for new and old properties
- prices are now comparable between years
- the index reference period¹ is Q1 2015 = 100
- The NI HPI is used as the NI component in the UK HPI and statistics are comparable across regions

¹ A reference period is a quarter which is used as a benchmark for other periods, to allow calculation of inflation.

Results for the most recent quarter are provisional and are subject to revision.



Introduction

This publication analyses the Northern Ireland domestic property market using residential sales recorded by HM Revenue & Customs (HMRC) for stamp duty purposes. This includes all sales irrespective of how they are purchased, e.g. auction sales are included. Information on all sales must by law be passed to HMRC – more detail on the HMRC data is available in the Explanatory Notes <https://www.finance-ni.gov.uk/articles/northern-ireland-house-price-index>

Information on the price of new dwellings sold has been available since Q1 2016. Verified sales numbers for new dwellings for the most recent two quarters are not yet complete, so they are not included in the report.

The contents of this report will be of interest to Government, Members of the Legislative Assembly, the business community, property professionals, economic commentators, academics and members of the public interested in the property market.

The report includes eight sections:

1. Northern Ireland House Price Index
2. House Price Index by Property Type
3. House Price Index for New/Existing Resold Dwellings
4. Sales Volumes
5. Regional House Price Statistics (Quarter 2 2016)
6. Economic Context
7. Detailed Statistics Content
8. Contact Details

Presentation of figures

The index number, which is based on the constant standardised price, is presented rounded to one decimal place. Quarterly and annual changes are calculated based on the unrounded index for accuracy and presented rounded to one decimal place. The index and prices are comparable over time.

For presentational purposes, most of the tables and graphs in this report cover the period from 2007 onwards. However, the complete time series from 2005 for each Index is available in the detailed statistics document on the Department of Finance (DoF) website:

<https://www.finance-ni.gov.uk/articles/northern-ireland-house-price-index>

The Explanatory Notes provide detailed information on the methodology used to produce the statistics and are available at Explanatory Notes:

<https://www.finance-ni.gov.uk/articles/northern-ireland-house-price-index>

1. Northern Ireland House Price Index

The overall performance of the residential property market is measured in this report using the Northern Ireland House Price Index (NI HPI). The index uses a modelling approach, to produce a standardised property price. The use of a “mix adjusted” approach controls for differences in the mix of properties sold from quarter to quarter allowing for price comparisons to be made on a like for like basis. The simple average price is not used in constructing the index as it is overly influenced by changes in the mix of properties sold each quarter (e.g. changes in the mix of locations, type or quality of property sold etc), (see Explanatory Notes Section 1).

<https://www.finance-ni.gov.uk/articles/northern-ireland-house-price-index>

Revisions

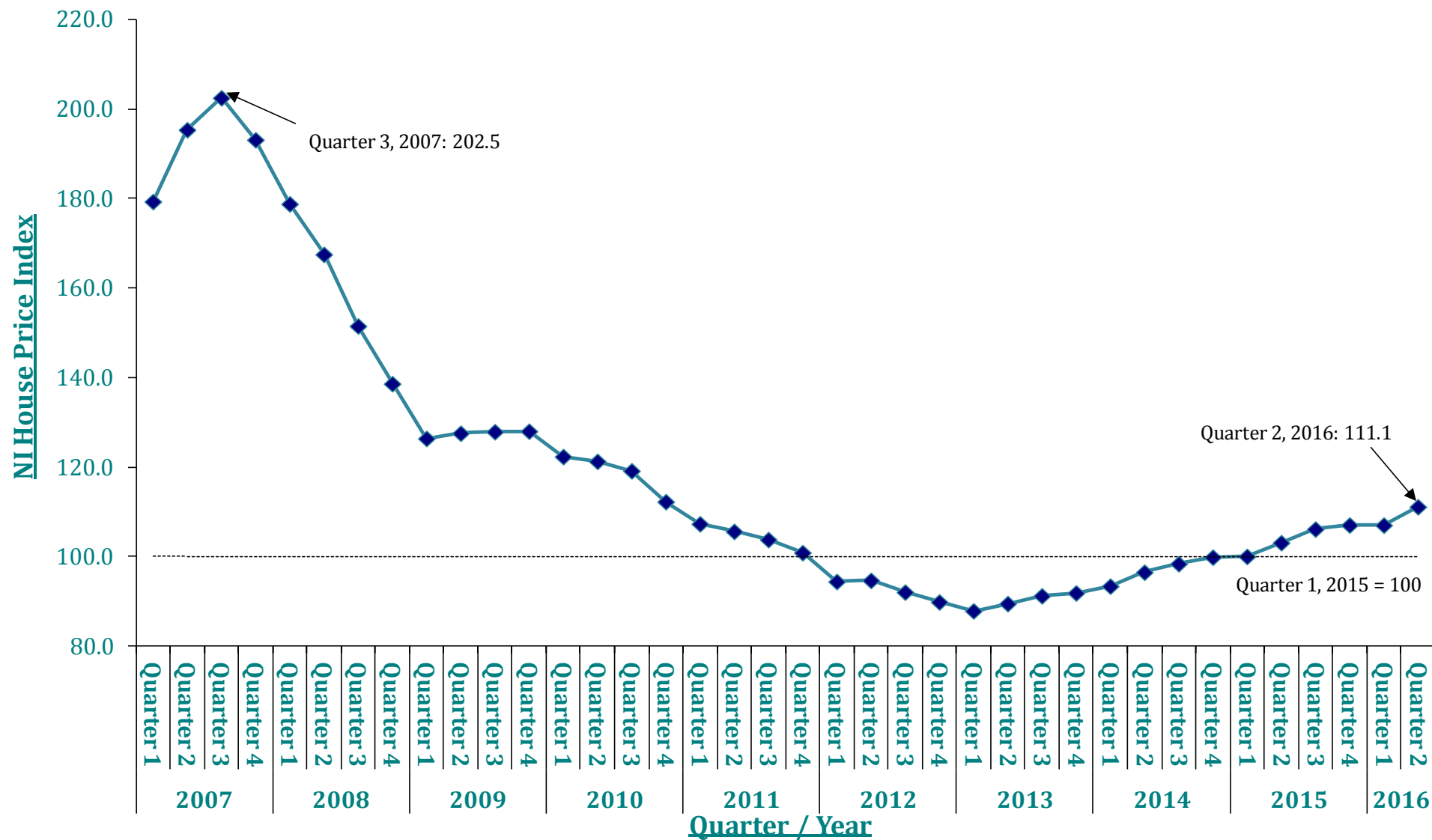
Previously published statistics for Q4 2015 and Q1 2016 have been revised to include sales received since the last publication, namely sales of new properties which have been entered into the NI Valuation List and late sales reported to HMRC.

Index Type	Quarter	Previously Published Index Value	Revised Index Value	Previously Published Quarterly Change	Revised Quarterly Change	Previously Published Annual Change	Revised Annual Change
NI RPPI	Q1 2016	105.9	107.0	-1.0%	0.0%	5.9%	7.0%
Detached	Q4 2015	107.6	107.3	1.7%	1.4%	7.0%	6.6%
Detached	Q1 2016	106.8	107.5	-0.7%	0.2%	6.8%	7.5%
Semi-Detached	Q4 2015	105.6	105.7	-0.5%	-0.4%	5.8%	5.9%
Semi-Detached	Q1 2016	103.1	104.3	-2.4%	-1.3%	3.1%	4.3%
Terrace	Q4 2015	108.1	108.2	1.8%	1.9%	9.1%	9.2%
Terrace	Q1 2016	107.1	108.1	-1.0%	-0.1%	7.1%	8.1%
Apartment	Q4 2015	106.5	106.9	0.1%	0.4%	7.4%	7.7%
Apartment	Q1 2016	109.7	111.9	2.9%	4.7%	9.7%	11.9%

The NI HPI is used as the NI component in the single official UK House Price Index.

Figure 1.1 shows the NI HPI series since January – March 2007 (Q1 2007). The reference base period has been updated from Q1 2005 to Q1 2015 and the index is set to 100 for that period.

Figure 1.1: Northern Ireland House Price Index (Q1 2007 – Q2 2016)



[Download chart](#)

NI House Price Index

The overall index showed an increase of 3.8% between the first quarter of 2016 and the second quarter of 2016. Between Q2 2015 and Q2 2016 the House price index increased by 7.8%. The NI HPI currently stands at 111.1 in the second quarter of 2016. The index is now 11.1% higher than in the first quarter of 2015, and 10.1% higher than Q1 2005.

Price Index by Property Type

The index for all property types increased in Q2 2016. Semi-detached and terrace increased by a similar amount (5.0% and 5.1% respectively), apartments increased over the quarter by 2.9%, while detached properties saw the smallest increase at 1.8%.

Price Index by Dwelling Type

The price of new dwellings sold in Q2 2016 was 3.5% over the quarter since Q1 2016. The index stands at 114.1 in Q2 2016 which is 14.1% higher than Q1 2015 and 19.1% higher than Q1 2005.

Table 1.1: NI House Price and Index Values

Year	Quarter	NI		Quarterly Change	Annual Change
		NI House Price Index	Standardised House Price		
2007	Quarter 1	179.3	£198,950	10.6%	51.5%
	Quarter 2	195.4	£216,751	8.9%	50.6%
	Quarter 3	202.5	£224,670	3.7%	40.0%
	Quarter 4	193.1	£214,269	-4.6%	19.1%
2008	Quarter 1	178.8	£198,362	-7.4%	-0.3%
	Quarter 2	167.5	£185,845	-6.3%	-14.3%
	Quarter 3	151.5	£168,076	-9.6%	-25.2%
	Quarter 4	138.6	£153,774	-8.5%	-28.2%
2009	Quarter 1	126.4	£140,190	-8.8%	-29.3%
	Quarter 2	127.5	£141,489	0.9%	-23.9%
	Quarter 3	127.9	£141,864	0.3%	-15.6%
	Quarter 4	128.0	£141,994	0.1%	-7.7%
2010	Quarter 1	122.3	£135,701	-4.4%	-3.2%
	Quarter 2	121.3	£134,515	-0.9%	-4.9%
	Quarter 3	119.1	£132,164	-1.7%	-6.8%
	Quarter 4	112.2	£124,515	-5.8%	-12.3%
2011	Quarter 1	107.3	£119,024	-4.4%	-12.3%
	Quarter 2	105.6	£117,142	-1.6%	-12.9%
	Quarter 3	103.8	£115,108	-1.7%	-12.9%
	Quarter 4	100.8	£111,871	-2.8%	-10.2%
2012	Quarter 1	94.4	£104,712	-6.4%	-12.0%
	Quarter 2	94.6	£104,987	0.3%	-10.4%
	Quarter 3	92.0	£102,086	-2.8%	-11.3%
	Quarter 4	89.8	£99,647	-2.4%	-10.9%
2013	Quarter 1	87.8	£97,428	-2.2%	-7.0%
	Quarter 2	89.4	£99,229	1.8%	-5.5%
	Quarter 3	91.2	£101,165	2.0%	-0.9%
	Quarter 4	91.8	£101,879	0.7%	2.2%
2014	Quarter 1	93.4	£103,570	1.7%	6.3%
	Quarter 2	96.5	£107,031	3.3%	7.9%
	Quarter 3	98.4	£109,116	1.9%	7.9%
	Quarter 4	99.8	£110,750	1.5%	8.7%
2015	Quarter 1	100.0	£110,940	0.2%	7.1%
	Quarter 2	103.1	£114,340	3.1%	6.8%
	Quarter 3	106.1	£117,716	3.0%	7.9%
	Quarter 4	107.0	£118,721	0.9%	7.2%
2016	Quarter 1	107.0	£118,702	0.0%	7.0%
	Quarter 2	111.1	£123,241	3.8%	7.8%

Note: Percentage change figures are calculated using unrounded figures.

[Download table](#)

2. House Price Index by Property Type

Table 2.1: NI House Price Index by Property Type

Property Type	Index (Quarter 2 2016)	Percentage Change on Previous Quarter	Percentage Change over 12 months	Standardised Price (Quarter 2 2016)
Detached	109.4	1.8%	6.2%	£183,812
Semi-Detached	109.5	5.0%	5.9%	£119,615
Terrace	113.6	5.1%	11.0%	£85,686
Apartment	115.1	2.9%	10.2%	£100,613
All	111.1	3.8%	7.8%	£123,241

(Index Q1 2015 = 100)

Note: Percentage change figures are calculated using unrounded figures.

[Download table](#)

The table shows the index and standardised price of different types of residential property for the second quarter of 2016 as compared to the first quarter of 2016 and the second quarter in 2015. This shows that the index for all properties increased in Q2 2016 and all property types showed an increase over the year.

The remainder of this section shows the trend since 2007 across the four property types (detached, semi-detached, terrace, apartment).

Figure 2.1: NI Detached Property Price Index (Q1 2007 – Q2 2016)

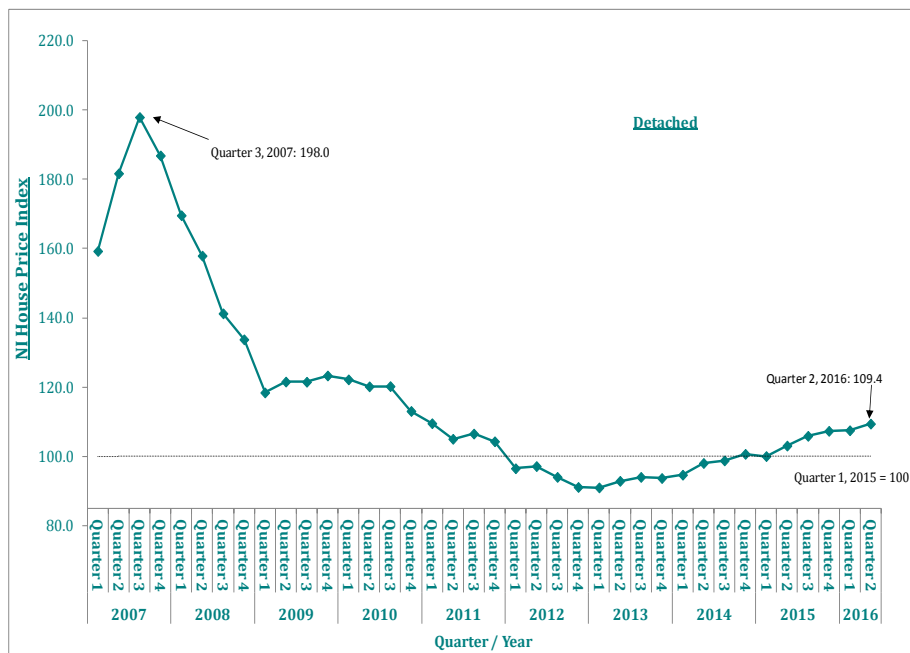


Figure 2.1 graphs the index for detached properties sold in Northern Ireland.

The index for detached properties increased by 1.8% between Q1 2016 and Q2 2016 and is 6.2% higher than Q2 2015, with the index now standing at 109.4 (i.e. prices today are typically 9.4% higher than the first quarter of 2015).

[Download chart](#)

Figure 2.2: NI Semi-Detached Property Price Index (Q1 2007 – Q2 2016)

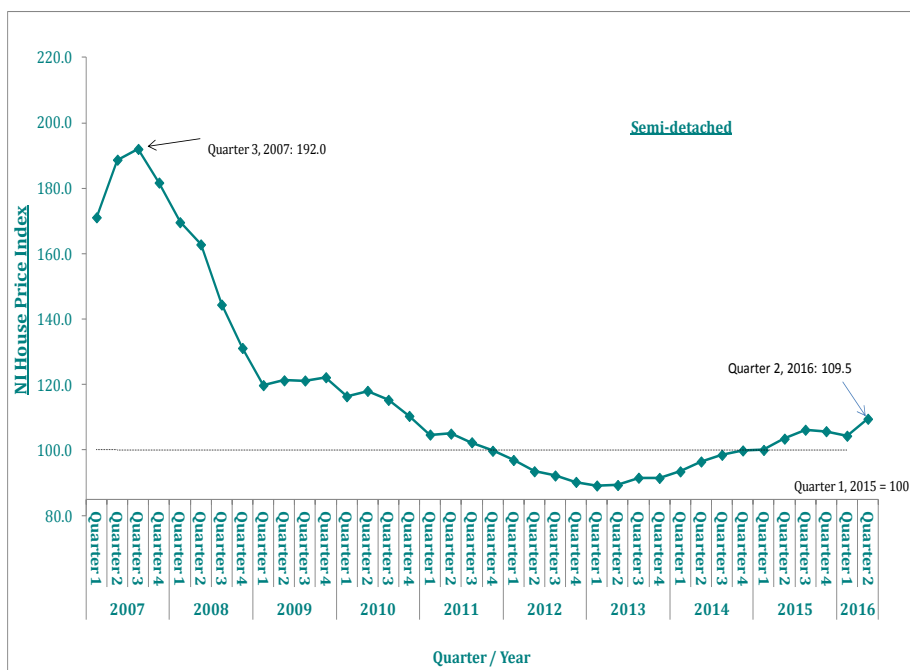


Figure 2.2 graphs the index for semi-detached properties sold in Northern Ireland.

The index for semi-detached increased by 5.0% between Q1 2016 and Q2 2016 and increased by 5.9% between Q2 2015 and Q2 2016. Prices are currently 9.5% higher than the Q1 2015 level.

[Download chart](#)

Figure 2.3: NI Terrace Property Price Index (Q1 2007 – Q2 2016)

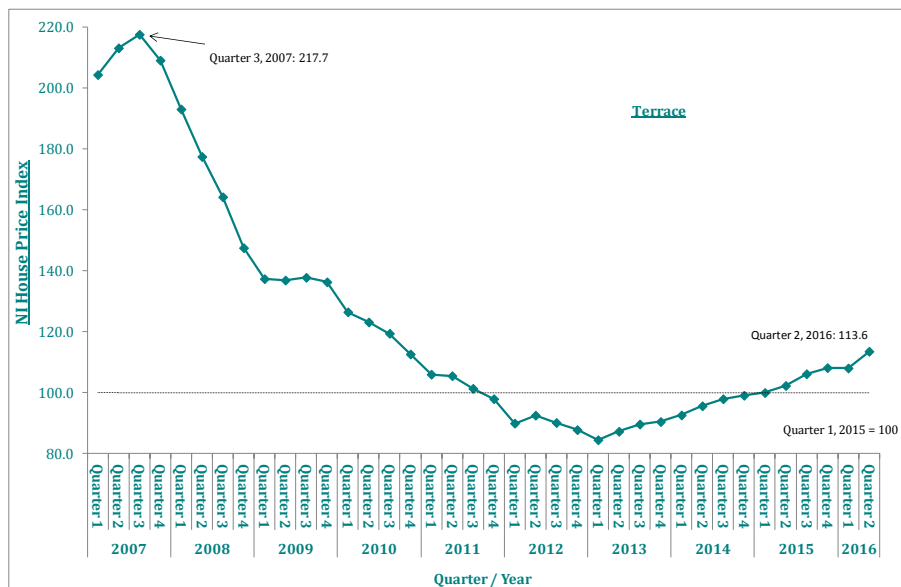


Figure 2.3 graphs the index for terrace properties sold in Northern Ireland.

The index for terrace properties increased by 5.1% between Q1 2016 and Q2 2016 and now stands at 113.6. It is 13.6% higher than Q1 2015.

[Download chart](#)

Figure 2.4: NI Apartment Price Index (Q1 2007 – Q2 2016)

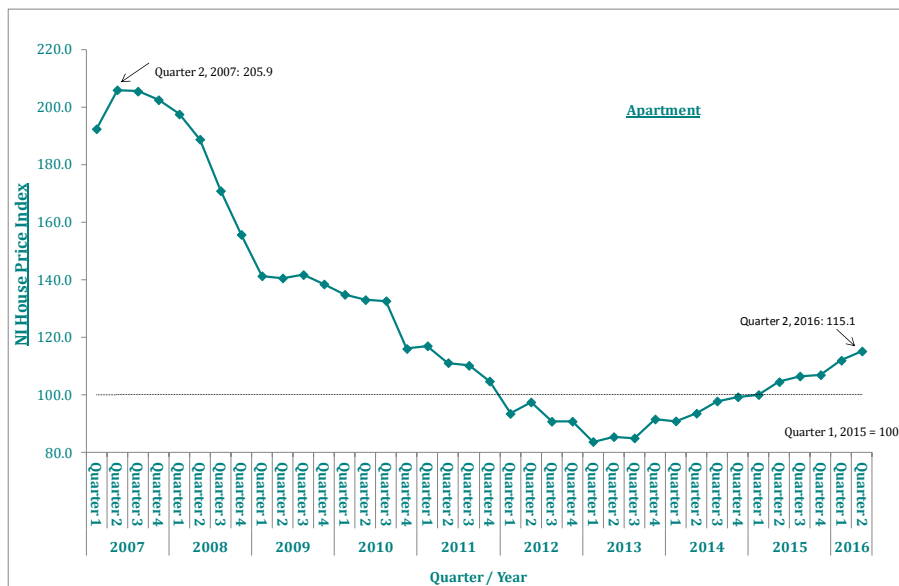


Figure 2.4 graphs the index for apartments sold in Northern Ireland.

The index for apartments increased by 2.9% between Q1 2016 and Q2 2016 and now stands at 115.1. It is 15.1% higher than Q1 2015.

[Download chart](#)

3. House Price Index for New/Existing Resold Dwellings

Price information relating to new dwellings is now available. The sale of a new dwelling is defined as the first sale of a new property in the NI Valuation List. All sales which do not meet this definition are considered to be sales of existing/pre-owned dwellings.

Table 3.1: NI House Price Index for New/Existing Resold Dwellings

Dwelling Type	Index (Quarter 2 2016)	Percentage Change on Previous Quarter	Percentage Change over 12 months	Standardised Price (Quarter 2 2016)
New	114.1	3.5%	12.1%	£149,725
Existing Resold	110.3	3.9%	6.7%	£117,008
All	111.1	3.8%	7.8%	£123,241

[Download table](#)

Table 3.1 shows the price index and standardised price paid for new and existing resold dwellings in Northern Ireland in Q2 2016 compared to Q1 2016 and Q2 2015. Both types of dwellings showed an increase over the quarter. The annual increase in the price of new dwellings was almost twice the annual increase in the price of existing resold dwellings.

Figure 3.1: NI House Price Index for New/Existing Resold Dwellings

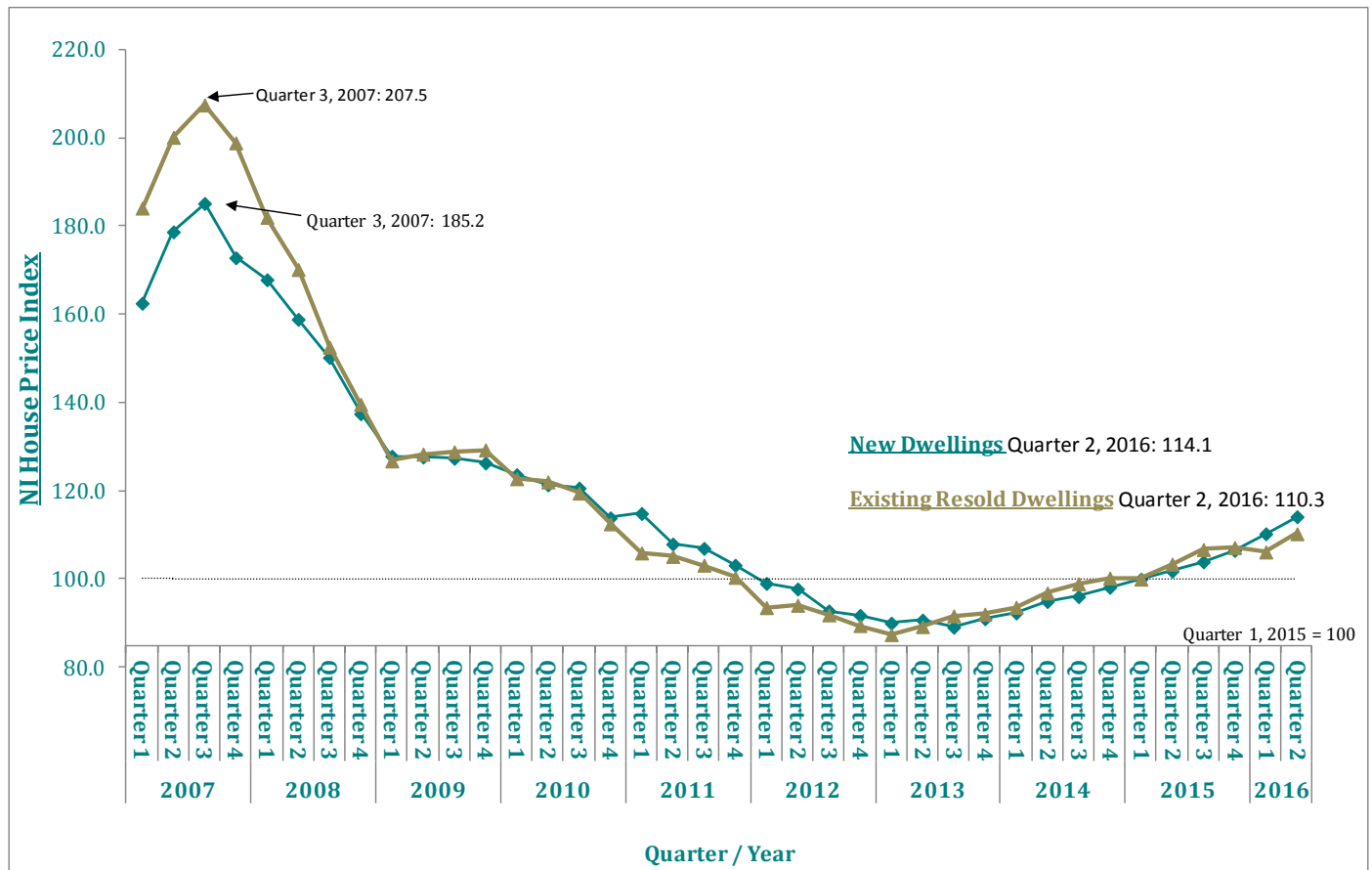


Figure 3.1 shows the price index trend for new and existing resold dwellings between Q1 2007 and Q2 2016. The price index of new dwellings rose by 93.3% from Q1 2005 to peak in Q3 2007 at 185.2, prices for pre-owned dwellings increased by 102.5% during the same period. Since the peak, prices for both dwelling types followed a downward trend until 2013. Price levels for existing resold dwellings bottomed out in Q1 2013 whereas price levels for new dwellings continued to decrease for a further two quarters until Q3 2013. Prices of new dwellings have increased each quarter since mid 2013 until Q2 2016.

The new dwellings index now stands at 114.1, 14.1% higher than Q1 2015 and 19.1% higher than Q1 2005. The existing resold dwellings index now stands at 110.3, 10.3% higher than Q1 2015 and 7.6% higher than Q1 2005.

Further analysis on prices of new and existing resold dwellings is available in the detailed statistics which can be accessed at: <https://www.finance-ni.gov.uk/articles/northern-ireland-house-price-index>

4. Sales Volumes

Table 4.1 shows the number of verified sales of each residential property type in Northern Ireland during each quarter between Q1 2007 and Q2 2016.

Verified residential property sales are defined as sales recorded by HM Revenue & Customs which could be matched to a domestic property in the NI Valuation List.

The annual number of sales stood at just over 29,000 in 2007. Between 2008 and 2011 the annual number of sales was roughly 11,000. From 2012-2015, the number of sales increased each year to 21,482 in 2015.

In Q2 2016, there were 4,075 verified residential property sales. This number will be revised upwards in the next publication due to late sales notified to HMRC.

In 2007 and 2008 the single largest type of properties sold were terrace houses, around 36%, however in 2009 the percentage of semi-detached sales rose to 35% and overtook the proportion of terrace properties sold (31%). During 2013 and 2014 the most popular choice for dwellings sold was detached (32%), however in 2015, semi-detached sales once again became the preferred choice (32%).

Apartment sales have remained steady over the period at around 8% of all sales until Q1 2016 where there was a notable increase and apartment sales represented 10% of all dwellings sold. In Q2 2016 apartment sales represented 7% of all sales.

Table 4.1: Number of Verified Residential Property Sales in Northern Ireland

Year	Quarter	Detached	Semi-Detached	Terrace	Apartment	Total
2007	Quarter 1	2,191	2,464	3,344	691	8,690
	Quarter 2	2,317	2,693	3,568	741	9,319
	Quarter 3	1,905	1,875	2,457	526	6,763
	Quarter 4	1,146	1,209	1,503	420	4,278
	2007 Total	7,559	8,241	10,872	2,378	29,050
2008	Quarter 1	775	877	1,109	239	3,000
	Quarter 2	814	1,028	1,151	321	3,314
	Quarter 3	608	684	785	176	2,253
	Quarter 4	614	729	740	166	2,249
	2008 Total	2,811	3,318	3,785	902	10,816
2009	Quarter 1	528	669	624	174	1,995
	Quarter 2	729	1,018	847	233	2,827
	Quarter 3	860	1,114	1,032	229	3,235
	Quarter 4	989	1,238	1,103	254	3,584
	2009 Total	3,106	4,039	3,606	890	11,641
2010	Quarter 1	639	796	848	221	2,504
	Quarter 2	738	924	849	185	2,696
	Quarter 3	705	906	961	134	2,706
	Quarter 4	824	844	936	208	2,812
	2010 Total	2,906	3,470	3,594	748	10,718
2011	Quarter 1	654	770	817	159	2,400
	Quarter 2	761	810	814	233	2,618
	Quarter 3	961	1,025	949	272	3,207
	Quarter 4	900	987	927	264	3,078
	2011 Total	3,276	3,592	3,507	928	11,303
2012	Quarter 1	937	971	1,017	250	3,175
	Quarter 2	901	975	990	261	3,127
	Quarter 3	1,120	1,130	1,033	274	3,557
	Quarter 4	1,175	1,147	1,178	267	3,767
	2012 Total	4,133	4,223	4,218	1,052	13,626
2013	Quarter 1	1,025	1,072	1,064	274	3,435
	Quarter 2	1,193	1,196	1,227	259	3,875
	Quarter 3	1,335	1,277	1,274	323	4,209
	Quarter 4	1,602	1,572	1,455	426	5,055
	2013 Total	5,155	5,117	5,020	1,282	16,574
2014	Quarter 1	1,481	1,406	1,378	363	4,628
	Quarter 2	1,664	1,655	1,530	413	5,262
	Quarter 3	1,742	1,742	1,571	428	5,483
	Quarter 4	1,851	1,829	1,673	491	5,844
	2014 Total	6,738	6,632	6,152	1,695	21,217
2015	Quarter 1	1,406	1,444	1,369	341	4,560
	Quarter 2	1,612	1,667	1,472	473	5,224
	Quarter 3	1,827	1,909	1,544	431	5,711
	Quarter 4	1,807	1,953	1,734	493	5,987
	2015 Total	6,652	6,973	6,119	1,738	21,482
2016	Quarter 1	1,633	1,639	1,820	587	5,679
	Quarter 2	1,273	1,328	1,200	274	4,075

[Download table](#)

5. Regional House Price Statistics

The Northern Ireland property market trends are available at:

- eleven Local Government Districts
- five large regional areas¹ (NUTS3)
- Urban – Rural classification¹.

Index values and standardised prices at the Local Government District level are included in this report. Data and a graphical representation of the House price index for each council, NUTS3, urban and rural areas can be viewed in the Detailed Statistics at:

<https://www.finance-ni.gov.uk/articles/northern-ireland-house-price-index>

Table 5.1: NI HPI and standardised price by Local Government District (Quarter 2 2016)

Local Government District	Index (Quarter 2 2016)	Percentage Change on Previous Quarter	Percentage Change over 12 months	Standardised Price (Quarter 2 2016)
Antrim and Newtownabbey	111.6	6.2%	7.2%	£128,355
Ards and North Down	107.2	2.9%	5.9%	£143,937
Armagh City, Banbridge and Craigavon	111.7	3.3%	9.2%	£110,118
Belfast	112.5	7.2%	9.8%	£118,894
Causeway Coast and Glens	113.2	-0.2%	6.8%	£122,173
Derry City and Strabane	108.5	2.3%	8.8%	£102,715
Fermanagh and Omagh	115.0	-0.3%	10.0%	£110,247
Lisburn and Castlereagh	110.7	4.3%	7.2%	£148,600
Mid and East Antrim	111.8	4.7%	6.1%	£115,747
Mid Ulster	107.8	-1.4%	3.6%	£120,583
Newry, Mourne and Down	111.2	3.6%	7.5%	£125,137
Northern Ireland	111.1	3.8%	7.8%	£123,241

(Index Q1 2015 = 100)

Note: Percentage change figures are calculated using unrounded figures.

[Download table](#)

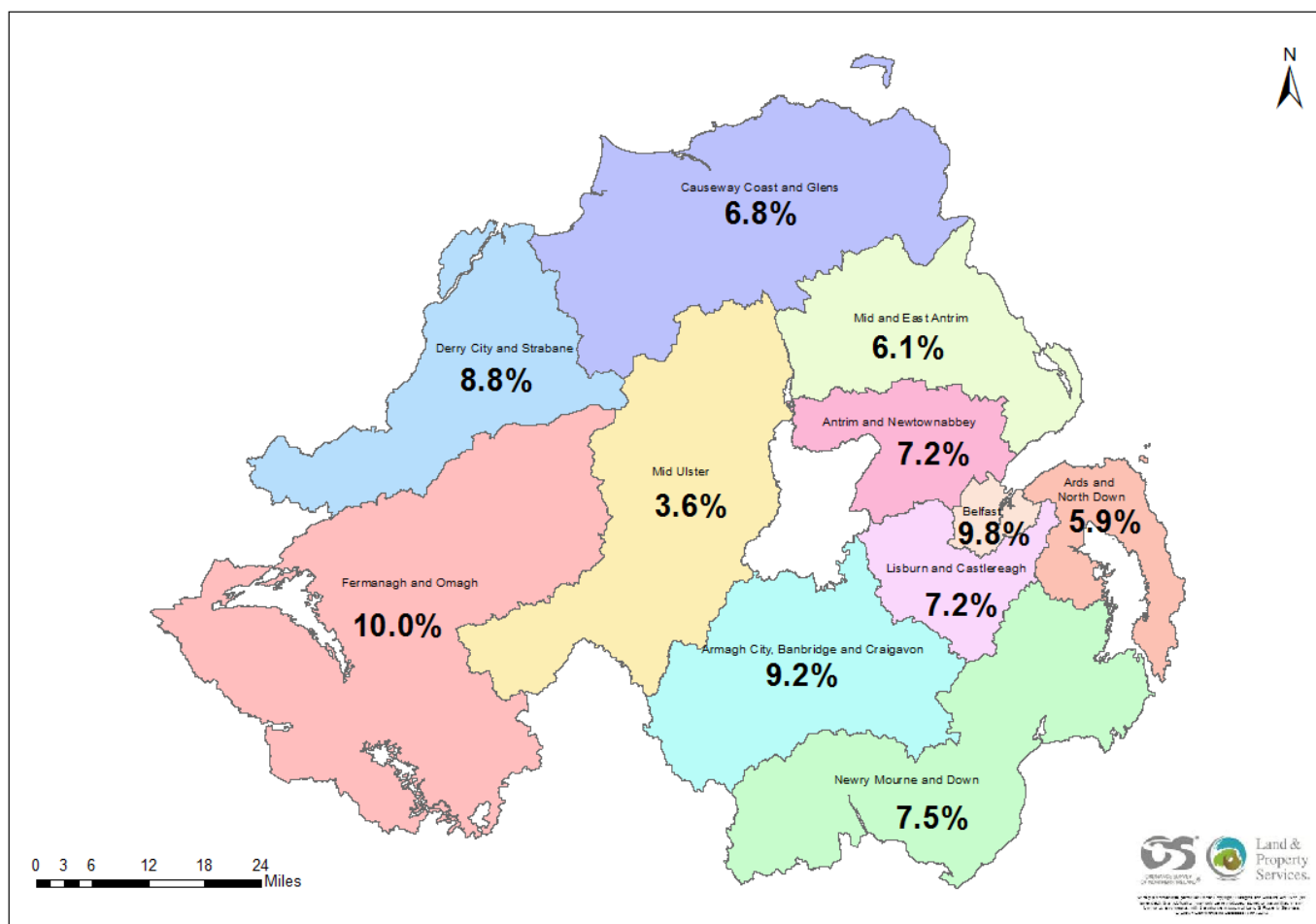
¹ See Explanatory note 8 for a definition of these regional areas <https://www.finance-ni.gov.uk/articles/northern-ireland-house-price-index>

Table 5.1 shows the NI House Price Index and standardised price for each Local Government District in Northern Ireland at Q2 2016.

The index for properties in Belfast saw the largest increase over the quarter of 7.2%. The index for Causeway Coast and Glens, Fermanagh and Omagh, and Mid Ulster council areas decreased over the quarter.

All council areas showed an increase over the 12 months since Q2 2015. Mid Ulster reported the smallest increase of 3.6%, while the index for Fermanagh and Omagh was 10.0% higher than Q2 2015.

Figure 5.1: Annual Change in HPI by Local Government District Q2 2016



[Download chart](#)

6. Economic Context

House prices are often considered within the economic context of a region. The latest Department for the Economy (DfE) Monthly Economic Update (April 2016) provides an overview of the state of the Northern Ireland economy, setting it in context with the UK and Republic of Ireland. This can be found at

<https://www.economy-ni.gov.uk/publications/deti-monthly-economic-update>

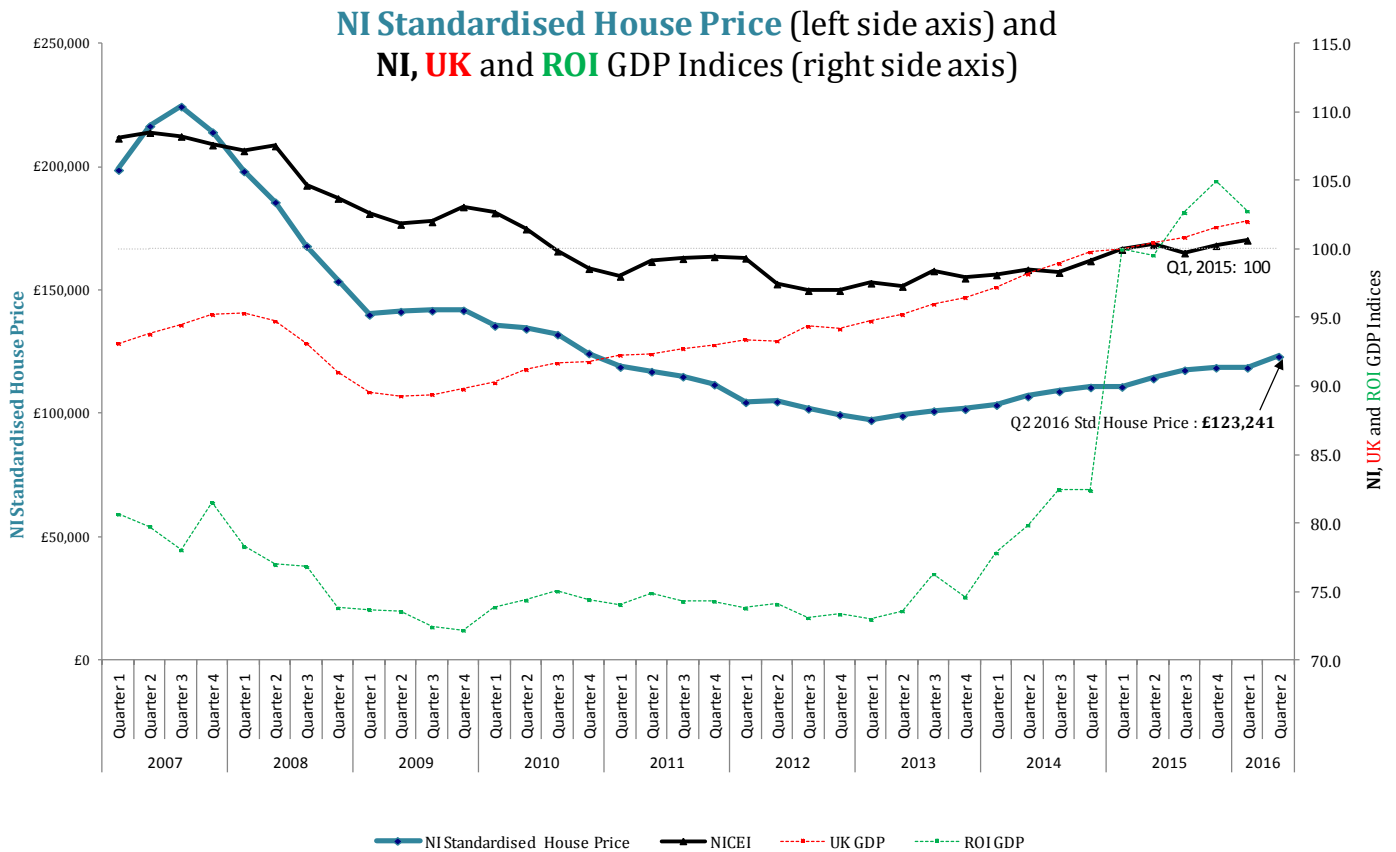
The most up-to-date official statistics on the economy and labour market are available on the Economic Overview page of the DfE website at

<https://www.economy-ni.gov.uk/articles/economic-overview>

To set the NI HPI within this economic context, the Northern Ireland Composite Economic Index (NICEI – an experimental official statistic <https://www.economy-ni.gov.uk/articles/northern-ireland-composite-economic-index-nicei>), along with the UK and Republic of Ireland GDP indices have been presented with a graph of the NI house prices at Figure 6.1. Underneath is an economic time line showing key world, European, UK and NI events.

To illustrate the relationship between the three indices in figure 6.1 the NICEI, UK and ROI indices are referenced to Q1 2015 = 100.

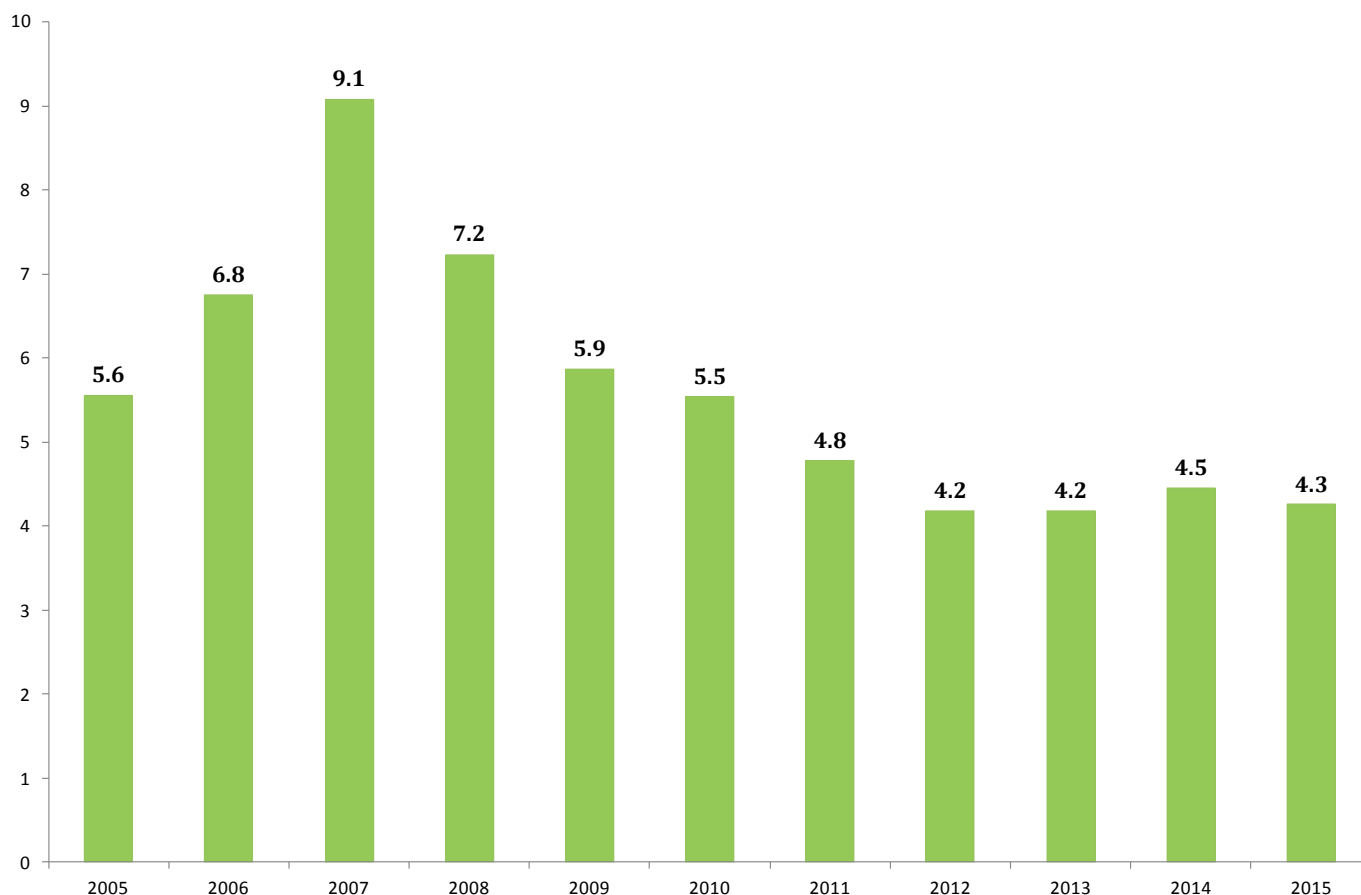
Figure 6.1: NI Standardised House Price with NICEI, UK and ROI GDP Indices



2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<ul style="list-style-type: none"> USA subprime mortgage crisis begins NI house prices increase faster than in UK NI economic activity peaks in Q2 and house prices peak in Q3 	<ul style="list-style-type: none"> UK GDP falls to lowest level since 2005 Irish GDP falls to lowest level since 2005 NI employee jobs fall to lowest level since 2004 NI claimant count rises 40% over year 	<ul style="list-style-type: none"> NI employee jobs peak in June Lehman Brothers collapses UK enters recession UK inflation hits 5.2% in September 	<ul style="list-style-type: none"> Portugal bailout and second Greek bailout agreed Bank of England injects £75bn into UK economy through quantitative easing NI loses 8,800 employee jobs 	<ul style="list-style-type: none"> Irish and Greek bailout agreed UK Spending Review outlines cuts in public spending NI economic activity falls every quarter during 2010 	<ul style="list-style-type: none"> NI economic activity at lowest rate since 2004 NI employee jobs rise by almost 3,000 over the year NI Executive launch Economic Strategy and £200m Economy & Jobs Initiative 	<ul style="list-style-type: none"> NI claimant falls for 11 consecutive months Ireland exit bailout programme 	<ul style="list-style-type: none"> Construction employment up for first time in 5 months 6 months of growth but pace of activity eased in Q3 Uneven prospects across countries/regions; global growth 3.1%, EU 1.5%, Ireland 4.8%, UK 2.5% 	<ul style="list-style-type: none"> Employment in manufacturing highest growth rate in 20 years Highest rise in export activity since August 2007 Construction Output still 48% below Q1 2007 peak 	<ul style="list-style-type: none"> UK vote to leave the European Union Falls in the Euro and Dollar exchange rates boost exports New orders fall for first time in 15 months

The graph shows how the fall in prices from the Q3 2007 peak has most closely aligned to the NI economic performance. ROI GDP reported a dramatic rise in Q1 2015, more details can be found at <http://www.cso.ie/en/releasesandpublications/er/na/quarterlynationalaccountsquarter12016/>

Figure 6.2: Ratio of NI Median House Sale Price to Median Annual Gross Earnings



Source: Annual Survey of Hours and Earnings, NISRA

<https://www.economy-ni.gov.uk/articles/annual-survey-hours-and-earnings>

Figure 6.2 shows the ratio of median sale price of residential properties in Northern Ireland to median annual gross earnings of all full time employees in Northern Ireland for each year between 2005 and 2015.

In 2005 median house prices were around five and a half times a median annual full time salary, but by 2007, at the peak of the market, prices were more than 9 times the median salary. With the downturn in the property market since 2008, the ratio fell each year until 2012. In 2014, the ratio rose to 4.5 but this has fallen again in 2015, and the median residential property sale price is now 4.3 times the median annual gross full time earnings.

7. Detailed Statistics Content

An index, price series and sales volumes between Q1 2005 and Q2 2016 are available in Detailed Statistics for the following breakdown:

- All residential dwellings
- Property Type (detached, terrace etc)
- Dwelling Type (new/old)
- Local Government District
- NUTS3 Area²
- Urban and Rural Area²
- Urban - Rural, East – West Classification²

8. Contact Details

Users' comments or any issues relating to the statistics are particularly welcomed and encouraged. Responses should be addressed to the contact below:

Contact Details

Responsible Statistician:

Mrs Ciara Cunningham
Land & Property Services Statistics Branch
Lanyon Plaza
7 Lanyon Place
Belfast
BT1 3LP
Telephone: 028 90336035

Email: LPS.statisticsbranch@finance-ni.gov.uk

Media Enquiries:

DoF Communications Office
Clare House
303 Airport Road
Belfast
BT3 9ED
Telephone: 028 9081 6724 or
028 9081 6725

Out of Office Hours: 07699 715 440

E-mail: dof.pressoffice@finance-ni.gov.uk

² See Explanatory note 8 for a definition of these regional areas <https://www.finance-ni.gov.uk/articles/northern-ireland-house-price-index>