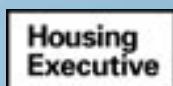




Northern Ireland

Quarterly House Price Index

For Q4 2006



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Introduction

This survey analyses the performance of the Northern Ireland housing market during the period October to December 2006. The report is concerned with trends and spatial patterns in the housing market during the final quarter of 2006 drawing comparisons with the same quarter of 2005, as a measure of annual change, and with the third quarter of 2006 as an indicator of short-term, quarterly change. The analysis also includes composite statistics for the whole of the calendar year, 2006. The report is produced by the University of Ulster in partnership with Bank of Ireland and the Northern Ireland Housing Executive.

The price statistics are based on a sample of 2,507 open market transactions during the final quarter of 2006. Information is presented on the residential property market for Northern Ireland, with an analysis of sale price by different property types. The overall performance of the housing market is measured by a weighted index that reflects the market share of each property type. The index captures various movements within a single statistic and allows changes over time to be tracked. The regional analysis considers trends in market areas throughout the province.



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Out with a bang

February 2007



Confirmation, if it were needed, that 2006 was a phenomenal and record-breaking year for Northern Ireland house prices has duly arrived with our latest survey. Furthermore, this snapshot provides ample evidence that the old year went out with a bang and with the scent of strong momentum carried into the early months, at least, of 2007. Observers of the market will note that while Sir John Semple and his team were meeting interested parties and gathering evidence for the interim report into the Review of Affordable Housing, prices were, on average, ratcheting up by about another 10%.

In the first quarter of 2003 we reported on the milestone of an average price in this region of £100,000; today we are closing in rapidly on the £200,000 mark with many sub-regions already significantly beyond this price level. The reality for many homebuyers in Northern Ireland today is that if you purchased before 2003 you are now very likely to have more equity than debt in your property and some will not be shy about leveraging this for the next step up. At the other end of the scale, the search for a property with a value less than £100,000 is likely to prove fruitless while only 1 in 5 transactions today is likely to escape a liability to stamp duty. Little wonder that we are reputed to have the most inflationary residential market in Europe where setting the asking price on a property is like firing the starting pistol to a bidding war!

Touching briefly at the micro level, regular survey readers will notice some interesting short-term movements in the final three months of 2006 including South Belfast retaking pole position in the price league from Lisburn, West Belfast replacing the North of the city as having the least expensive transactions during the quarter and slightly more subdued conditions in and around the North Coast.

Irrational Exuberance?

Five to ten years ago Northern Ireland was comfortably the most affordable location in the UK for housing. Not only have we caught up but we have now overtaken most regions including Scotland, Wales and all of northern England. One local commentator recently offered the challenge to produce sound economic arguments to explain why this should be the case and with incomes in Northern Ireland about 20% below the UK average, recent trends do seem a little baffling to say the least. Indeed, we might borrow an expression from former Fed chief Alan Greenspan while in the throes of a different asset price boom in the late '90s – "irrational exuberance".

Perhaps it can be only be rationalised by highlighting again the cocktail of factors, some regional-specific, coming together at the same time including:

- A supply/demand imbalance - regional plans for NI have consistently underestimated housing demand and consequently we are now in times with a significant under provision of affordable housing and where too many buyers are chasing too few properties, a situation exacerbated by planning constraints and landbanking;

- The continued appeal of property as an investment despite unexciting rental yields in some instances and rising costs of borrowing;
- Demography – this region has one of the fastest growing populations in the UK and with a skew towards the younger home-buying age cohorts;
- The so-called "Celtic tiger" effect - positive spillover / new money from a prolonged boom which other regions have not enjoyed;
- The underlying improvement in the macro economy in terms of job creation and the rising incidence of dual household incomes.

Where do we go from here?

Clearly, the record price growth of 2006 is unlikely to be repeated but we should not underestimate the momentum factor as we move into spring and the traditional house-hunting season. In a real sense, only when investor demand subsides will we return to a more normal market and this may begin to happen later in 2007 as the impact of recent mortgage rises (with probably one more rate rise in the cycle to come) starts to dampen enthusiasm. Some new-to-market investors are already discovering that the anticipated rental income from purchases has not materialised, leaving them to meet the shortfall on debt servicing costs from other resources.

Forecast

Overall, my expectation is that average price growth in NI will be of the order of 15% in 2007, perhaps higher in the early months before cooling off as the year unfolds. The high "base effects" from 2006 should in themselves help constrain percentage year-on-year comparisons this year. Obviously 15% would represent moderation on 2006 but is still comfortably above what our neighbours in the Republic and in GB can expect this year.

Beyond 2007, perhaps aided by the implementation of some of Sir John Semple's recommendations in the Affordability Review aimed at boosting supply and land release, it seems likely the local market will return to mid to high single digit price growth, punctuated by spells when prices actually mark time. In the long-term there is no reason why our position in the UK regional league table should not be closely correlated to respective underlying economic indicators like incomes/affordability and supply. However, this will only happen when some of the dynamics highlighted above begin to unwind and clearly this will not happen overnight.

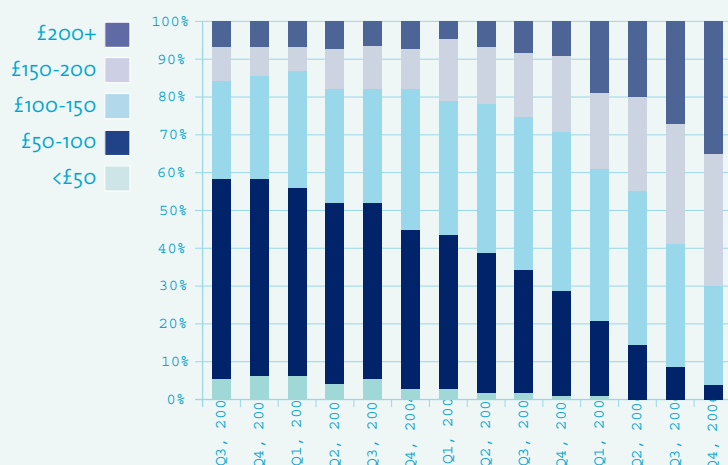
Alan Bridle
Senior Manager, Research
Bank of Ireland Business Banking UK
T: 028 9043 3519 E: alan.bridle@boini.com

First-time buyers face an increasingly difficult task

This latest analysis confirms the record breaking increases that have taken place in Northern Ireland house prices in 2006. Research published by the Housing Executive in 2001 showed that affordability at that time was not an immediate or widespread problem, due primarily to the low interest rate environment, but also to the availability of a more flexible range of mortgage products which combined to ensure that debt servicing costs generally remained at manageable levels. However, the research indicated that in 2001 affordability was already an emerging problem for first time buyers, particularly in Belfast and its commuter belt.

The figure below gives one view of how this picture has changed over the last eighteen months in particular as the number and proportion of properties sold on the open market for less than £100,000 has declined dramatically. In mid 2004 around 50 per cent were selling for less than £100,000 but in quarter 4, 2006 this proportion fell to 4 per cent. Conversely the number and proportion of dwellings sold at over £200,000 has risen rapidly to 35 per cent.

Proportion of transactions by price band 2003-06



The Housing Executive also asked the University of Ulster to update its affordability index developed to monitor changes over time and the geographical differences in affordability in Northern Ireland. The model uses three key variables: house prices, incomes and interest rates and an annuity formula to calculate the maximum price a household with a median household income can afford to pay, assuming a typical interest rate, a 95% mortgage (loan to value ratio) and a 25 year repayment period. 30 per cent of household income is considered the maximum reasonable proportion of income which can be used to service mortgage payments. This figure

is compared with what is considered to be a typical affordable house: a house priced at the upper boundary of the first quartile of house prices (25th percentile) in that district council area. The resultant model therefore provides a useful indicator of the degree of difficulty experienced by first time buyers purchasing a property with a five per cent deposit.

The Affordability Index for District Councils, 2006, indicates that the overall picture for Northern Ireland conceals some significant geographical variations with first time buyers in some areas having much greater difficulty than in others. As would be expected the situation is serious in and around Belfast, in the commuter corridors along the M1 and M2. However, in the commuter belt stretching northwards through Newtownabbey and Carrickfergus to Larne there is much less of an affordability problem, as house prices have remained lower. However, the most serious difficulties are now experienced in the peripheral rural areas of Northern Ireland, where a combination of falling farm incomes, a decline in manufacturing, the concentration of new jobs in the service industries in Belfast and a rise in the demand for second homes has resulted in huge affordability gaps for first time buyers in places like Moyle (£92,000), Ballymoney (£78,000), Dungannon (£77,000) where there is the added issue of migrant workers, and in Newry and Mourne (£81,000) where the influence of Dublin is becoming more apparent.

There is little doubt however, that first-time buyers are now experiencing serious difficulties throughout Northern Ireland. One of the key tasks for the Sir John Semple Review of Affordability is to put in place mechanisms – and in particular planning mechanisms – which will contribute to the construction of more affordable homes for first-time buyers. Experience from Great Britain and the Republic of Ireland shows that this is by no means a straight forward task. The first step is to agree a definition of affordable housing. In England the latest planning guidelines issued by Government (PPS3) specifically exclude low cost market housing from the definition of affordable housing. However, the Housing Executive in its joint submission with the housing association movement to the Semple Review has asked for low cost market housing to be included in the Northern Ireland definition. In our view this would mean an additional useful option to the set of alternatives on offer in the process of negotiation between developers and the Planning Service, which will hopefully in the not too distant future be using Article 40 agreements to ensure a greater supply of more affordable homes for first-time buyers in Northern Ireland.

Joe Frey
Head of research, NIHE
T: 028 9024 0588 E: joe.frey@nihe.gov.uk

General Market Trends

The main finding of this survey is to confirm the exceptional performance of the housing market in Northern Ireland during 2006. The overall weighted rate of growth is a massive 37.0%, a figure that builds upon the high rates of increase of previous surveys for 2006. The quarterly weighted rate of growth for the final quarter of 2006 alone was 10.0%.

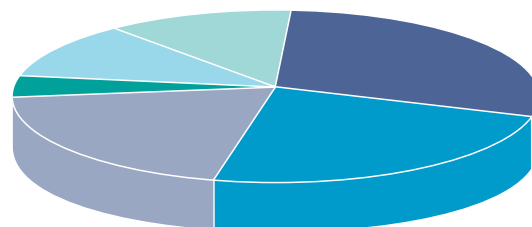
The overall average price of residential property in Northern Ireland for the final quarter of 2006 is £195,751. Compared with the same quarter of 2005, price levels are up on average by 37.0% (weighted increase). Such a rate of annual growth is exceptional in any housing market but, nevertheless, is consistent with trends from earlier quarters of 2006. Clearly growth rates of this magnitude can not be sustainable over a long period of time and raises the question as to whether and when there will be a market correction. The current price statistics largely reflect the market prior to the two most recent rises of interest rates, thus the impact of higher mortgages going forward are not reflected in these figures. Interest rate rises tend to have greatest impact on first-time buyers, a sector of the market which has been declining in recent years due to increasing affordability issues. The other uncertainty for the market going forward is whether the high rate of investor activity, which has been a main driver of the market in 2006, will be maintained. The shorter-term, quarterly weighted increase of 10.0%, although circa two percent lower than the third quarter increase (11.9%), suggests that there is little sign of the market slowing-up in what is traditionally a slower quarter.

One of the key indicators to be monitored in recent reports of the Northern Ireland Quarterly House Price Index has been the shrinkage in the number of houses selling at or below £100,000. The current survey reinforces this pattern with only 4% of properties below this threshold compared to 9%, 16% and 21% of properties selling at or below £100,000 in the previous surveys for 2006.

There is also a declining percentage of properties selling within the next price band, £100,000 to £150,000 which now takes 26% of sales compared with 41% of sales in the first quarter of the year. Indeed, the modal price range has shifted to the £150,000 to £200,000 band (35% of all sales). At the top-end of the market, the percentage of transactions in the price band from £200,000 to £250,000 has increased to 17% and a further 18% of properties are selling for above £250,000.

In terms of market share, composition of the sample remains consistent with previous surveys. The two dominant property types are terraced/townhouses (n=808) accounting for 32% of the sample and semi-detached houses (n=599) representing 24%, though the market share for the latter is below the norm. Detached houses constitute 16% (n=399) and detached bungalows 8% (n=194). The market share taken by apartments (17%, n=430) continues to be strong and above expectations. Semi-detached bungalows 3% (n=77) are poorly represented and have the smallest market share. In terms of age profile, newly developed property constitutes 26% of the sample.

Property Share by Type



Terrace	32%
Semi-detached house	24%
Detached house	16%
Semi-detached bungalow	3%
Detached bungalow	8%
Apartment	17%

Performance by Property Type

Analysis by property type indicates that all sectors of the market continue to perform strongly with highly significant rates of increase in average price over the year. The picture is one of rampant rates of price growth across the housing market.

Annual performance provides a snapshot comparing the current average price with corresponding statistics for the fourth quarter of 2005. On the basis of this analysis all property types, in accordance with the overall trend in the housing market, have performed strongly with significant increases in average price over the year. The survey shows little differentiation between property types in terms of annual growth rates with terraced/townhouses (£160,782) recording a 41.9% increase in average price and semi-detached houses (£188,143) an annual increase of 40.1%. According to several agents contributing to this survey it is these sectors of the market that attract strongest investment interest with the ensuing competition between investors and first-time buyers instrumental in the high rate of price growth in the market.

The strong performance of detached houses (£298,155), with average price also up by over 40% (40.7%) indicates that the boom in price levels is not only at entry points but is also apparent throughout the housing market, with seemingly those moving in the market prepared to bid upwards to achieve the property of their choice using the increased value of their existing property. Growth rates in the bungalow sectors are a little lower. Semi-detached bungalows (£166,325) have increased by 34.2% and detached bungalows (£249,574) have a rate of annual increase of 32.9%.

Apartments, although taking a higher share of the market for this survey, have experienced the slowest rate of increase, with the average price (£158,244) up by 22.2%. Seemingly this sector of the market is presenting the best opportunity for new entrants with price levels, although up significantly, still offering an affordable option to first-time buyers.

Annual % increase and average price

Market Sector	Annual Change	Average Price Quarter 4	Average Price 2006
Terraced house	41.9%	£160,782	£139,090
Semi-detached house	40.1%	£188,143	£161,906
Detached house	40.7%	£298,155	£261,911
Semi-detached bungalow	34.2%	£166,325	£151,150
Detached bungalow	32.9%	£249,574	£220,977
Apartment	22.2%	£158,244	£144,493

Short-term performance looks at price levels in the final quarter of 2006 against those for the third quarter of 2006. The weighted increase across all of the six main property types is 10.0% indicating that the market at the end of 2006 is showing little sign of easing-up. Overall, on a property type basis, quarterly performance generally is reflective of the annual trend, though apartments which are up by 10.4% have improved their relative position vis-à-vis the other property types. However, the highest rate of increase is still for terraced/townhouses up by 12.9%. The other sectors show similar rates of quarterly price growth with semi-detached houses up by 9.2%, detached houses by 8.8% and detached bungalows by 7.9%. The lowest rate of quarterly growth is for semi-detached bungalows, up by 3.2%.

Average price by region and property type

Region	All	Terrace	SD House	Detached House
Northern Ireland	£195,751	£160,782	£188,143	£298,155
Belfast	£191,819	£176,214	£200,540	£319,084
North Down	£202,300	£150,332	£182,134	£293,340
Lisburn	£231,168	£172,089	£205,888	£321,592
East Antrim	£164,171	£133,706	£169,695	£264,414
L'derry/Strabane	£173,462	£137,974	£155,952	£288,167
Antrim/Ballymena	£194,189	£130,202	£173,250	£270,634
Coleraine/Limavady/North Coast	£198,711	£165,773	£187,719	£277,750
Enniskillen/Fermanagh/South Tyrone	£222,522	£161,529	£164,833	£296,500
Mid Ulster	£219,489	£154,891	£189,188	£309,839
Mid and South Down	£221,367	£172,196	£203,764	£304,829
Craigavon/Armagh	£180,848	£144,569	£176,856	£259,767

Region	SD Bungalow	Detached Bungalow	Apartment
Northern Ireland	£166,325	£249,574	£158,244
Belfast	£162,885	£292,750	£157,142
North Down	£149,214	£257,287	£165,547
Lisburn	£186,833	£297,893	£162,222
East Antrim	£165,500	£220,358	£134,458
L'derry/Strabane	£163,813	£211,167	£127,063
Antrim/Ballymena	£152,400	£258,250	£111,000
Coleraine/Limavady/North Coast	£177,389	£221,870	£175,048
Enniskillen/Fermanagh/South Tyrone	*	£268,750	£179,117
Mid Ulster	£177,100	£236,700	*
Mid and South Down	£170,250	£247,646	£183,407
Craigavon/Armagh	*	£242,367	*



Performance by Region

Analysis at the regional level highlights how house prices vary across Northern Ireland. Findings from this survey indicate that across all market areas, average prices have risen substantially over the year though there is variability by location and property type.

Belfast

In Belfast the average price of housing (£191,819) has increased significantly over the year with an annual growth rate (41.3%) that is of even greater proportions than the weighted rate of increase for Northern Ireland. All sectors of the market have increased in average price though there is variation in the rate of growth. The market leader is clearly terraced/townhouses for which the average price has increased by 58.4% to £176,214 reflecting the strong demand for this property type by both home-owner purchasers and investors. Paralleling the Northern Ireland market, detached houses (£319,084) up by 44.2% and semi-detached houses (£200,540) by 42.2% have made highly significant price gains. In the bungalow sector, rates of increase are lower with detached bungalows (£292,750) up by 24.6% and semi-detached bungalows (£162,885) up by 16.8%. For apartments, the average price £157,142 is up by 19.7%. Over the quarter, the price level for Belfast is up by 11.4% suggesting that there has been no easing back in the market towards the end of 2006 with again highly significant rates of increase for terraced/townhouses and detached houses; apartments have also performed more strongly with average price up by 8.2%.

On a geographical basis, the highest priced location within the city is **South Belfast** (£241,390) where the average price of terraced/townhouses is £234,733, semi-detached houses £236,906, detached houses £355,368 and apartments £186,527. **East Belfast** with an overall average price of £211,925 is the next highest-priced location within the city. On a property sector basis, respective average prices are terraced/townhouses £172,695, semi-detached houses £215,258, detached houses £330,837 and apartments £170,579. The average price in **West Belfast** is £143,384 with terraced/townhouses achieving £154,182, semi-detached houses £171,176 and apartments £114,627. For **North Belfast**, the current average price, £152,145, now exceeds that of West Belfast and on a property type basis, the mean price of terraced/townhouses is £139,527, semi-detached houses £167,662, detached houses £245,500 and apartments £131,907.

Belfast Metropolitan Area

Within the commuter zone of the Belfast Metropolitan Area house prices have increased significantly with rates of annual price change of 21.7% for North Down, 36.7% for Lisburn and 50.2% for East Antrim.

For **North Down** the overall average price has increased to £202,300 representing a rate of annual growth of 21.7% which is highly consistent with that for the previous surveys during 2006 namely 22.3%, 21.9% and 23.5%. Analysis by property type indicates some variation in the rate of growth with detached bungalows (£257,287) up by 26.8% the market leader, followed closely by semi-detached houses (£182,134) up by 25.4%. Detached houses (£293,340) are up

by 22.9% and semi-detached bungalows (£149,214) by 19.4%. The rate of price increase is lower for apartments (£165,547) and in contrast to the overall Northern Ireland market, terraced houses (£150,332) are the sector with the lowest rate of price increase. Quarterly performance is relatively modest with a 4.7% increase in average sale price. The strongest performing sectors over the final quarter of 2006 are semi-detached houses (13.0% increase), detached bungalows (8.4% increase) and apartments (5.8% increase).

In **Lisburn**, the housing market continues to go from strength to strength with the average price (£231,168) representing a 36.7% increase compared to the final quarter of 2005. All sectors of the market are characterised by highly significant rates of annual price increase with, for this survey, semi-detached houses (£205,888) up by 56.9% and apartments (£162,222), formerly a weaker sector in the local market, up by 55.9%. Terraced/townhouses (£172,089) are up by 42.5%, detached houses (£321,592) by 37.6%, semi-detached bungalows (£186,833) by 38.7% and detached bungalows (£297,893) by 33.0%. Over the quarterly time-scale, the Lisburn market has increased by only 1.8% which may mark a change in the sample composition more so than any major change in market sentiment. Indeed, over the quarter the price of apartments has risen significantly by 30.1% with strong short-term growth also occurring for detached bungalows up by 16.8%, semi-detached houses by 9.0% and terraced houses by 5.7%.

For the **East Antrim** market the overall average price (£164,171) has increased over the year by 50.2% marking a major change for this region. All sectors of the market have performed very strongly with the highest rate of growth for terraced/townhouses (£133,706) up by 65.0% over the year and semi-detached houses (£169,695) up by 63.7%. In the detached sectors, bungalows (£220,358) have increased by 54.3% and houses (£264,414) by 45.8%. Semi-detached bungalows (£165,500) have increased by 45.7% and apartments (£134,458) by 41.5%. Over the quarterly time-period, performance has been very strong with the overall average sale price up by 16.5%.

The North and North West

The market areas in the North and North West of the province show contrasting rates of annual price increase with the Antrim/Ballymena market outperforming both of the other regions.

In **Antrim/Ballymena** the overall average price (£194,189) is substantially higher than the equivalent price for the final quarter of 2005, representing a simple rate of annual increase of 42.5%. Over the year, all sectors of the market have advanced significantly. The average price of terraced/townhouses is £130,202 up by 43.8%, semi-detached houses £173,250 up by 37.5% and detached houses (£270,634), the market leader, up by 45.5%. Over the quarter, the overall average price has advanced significantly by 13.4% with semi-detached houses up by 12.7% and detached houses by 11.9%.

For the **Coleraine/Limavady/North Coast** market, the overall average price is now £198,711 slightly down from the previous quarter but nevertheless up by 14.1% over the year. All sectors of the market have continued to experience annual increases in average price with the highest growth apparent for semi-detached bungalows (£177,389) up by 34.3% over the year. The detached bungalow sector (£221,870) has also performed well with the average price up by 21.6%. For semi-detached houses (£187,719), there has been an 18.6% increase and for detached houses (£277,750) a 14.6% increase. The lowest rates of annual increase are for terraced/townhouses (£165,773) up by 8.6% and apartments (£175,048) up by 7.5%. Quarterly performance has seen the average price level drop back ever so slightly by 0.92% though several sectors show improved price levels over this time-scale notably terraced/townhouses up by 8.2%, detached houses up by 5.4% and semi-detached bungalows up by 5.3%.

In the **Derry/Strabane** market, strong growth has been sustained with price levels up by 25.7% over the past year. While the rate of growth lags that for the overall Northern Ireland market there has been a high degree of consistency in the Derry/Strabane market. The overall average price has increased to £173,462 representing a new high for the local market. Significant uplifts in average price are again apparent for terraced/townhouses (£137,974) with a 44.1% rate of increase and for detached houses (£288,167) up by 44.3%. Detached bungalows (£211,167) have also performed strongly with average price up by 37.8%. In the semi-detached house market (£155,952) the rate of increase is lower (17.8%) and similarly for apartments (£127,063) which are up by 15.5% over the year. Over the quarter, price growth has been very strong with the overall average up by 18.0%.

The West

The two markets in the West of the province continue to exhibit significant price increase with the Mid-Ulster market to the forefront.

The overall average price for the **Mid-Ulster** market has increased to £219,489 representing an annual rate of growth of 44.9% compared to the final quarter of 2005 building upon significant rates of house price growth reported upon in earlier quarters of 2006. All sectors of the Mid Ulster market have experienced substantial rates of price increase. The average price of detached houses (£309,839) has soared over the year by 61.6% to lead the Mid-Ulster market. For the other sectors, terraced/townhouses have risen (£154,891) on average by 39.7%, detached bungalows (£236,700) by 35.3%, semi-detached bungalows (£177,100) by 32.8% and semi-detached houses (£189,188) by 32.0%. Over the final quarter of 2006 there has been a rapid escalation in the rate of growth by 21.2% due to strong performance in the detached house and detached bungalow sectors.

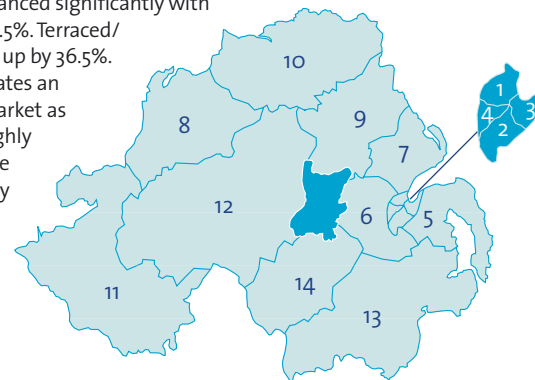
For **Enniskillen/Fermanagh/South Tyrone**, average price levels have progressed significantly by 38.4% to £222,522. This performance is replicated across the different sectors of the market, each of which is characterised by highly significant price growth. Terraced/townhouses have increased by 55.2% over the year to an average price of £161,529, detached bungalows by 50.3% to £268,750 and detached houses by 46.7% to £296,500. In the semi-detached house market (£164,833), the rate of price growth is lower at 29.5%. Quarterly change indicates continuing strength in the market with, on average, prices levels up by 9.6% compared to the third quarter of 2006. On a sector basis, the strong rates of quarterly price growth exist for detached houses up by 8.0% and detached bungalows up by 11.9%.

The South

For the South of the province average price levels have remained buoyant with annual rates of increase in excess of 40%.

For **Craigavon/Armagh** the overall average price level (£180,848) represents a massive annual rate of price increase of 42.2% compared to the final quarter of 2005. Across the market, there have been major increases in the average price notably for terraced/townhouse property (£144,569) up by 84.9% and detached houses (£259,767) up by 68.6%. Semi-detached houses (£176,856) are up by 39.7% and detached bungalows (£242,367) by 47.8%. Quarterly trends suggest that much more modest conditions prevailed over the final quarter of the year with an overall growth rate of 2.7%, though some sectors of the market experienced significant price increase over the quarter notably terraced/townhouses up by 17.5%, semi-detached houses by 11.1% and detached houses by 10.0%.

The **Mid & South Down** market displays a high level of buoyancy with the overall average price of residential property (£221,367) representing an annual rate of increase of 43.6%, a growth rate that is highly comparable to the previous survey (45.0%). All sectors of the market have increased significantly in average price. The highest rates of annual increase are for semi-detached property, with houses (£203,764) up by 56.3% and bungalows (£170,250) up by 56.0%. Detached houses (£304,829) have increased by 44.0% and detached bungalows (£247,646) by 34.4%. Price levels in the apartment sector (£183,407) have advanced significantly with the average price up by 48.5%. Terraced/townhouses (£172,196) are up by 36.5%. The quarterly profile indicates an increase of 6.7% for the market as a whole but with some highly significant rates of increase by different sectors notably semi-detached houses up by 21.4%, terraced houses by 11.6% and semi-detached bungalows by 10.6%.

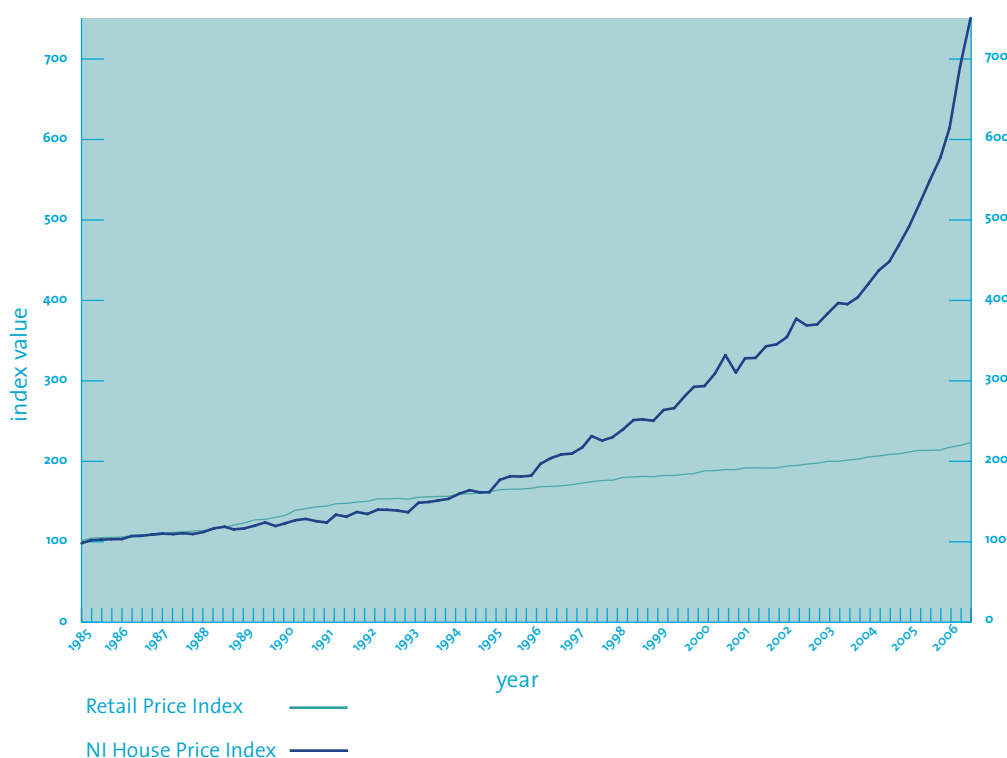


Location	Average Price Quarter 4	Average Price 2006
Northern Ireland -All	£195,751	£174,178
Belfast - All	£191,819	£169,867
1 North Belfast	£152,145	£126,630
2 South Belfast	£241,390	£208,075
3 East Belfast	£211,925	£192,012
4 West Belfast	£143,384	£134,810
5 North Down	£202,300	£182,774
6 Lisburn	£231,168	£209,807
7 East Antrim	£164,171	£138,544
8 L'derry/Strabane	£173,462	£154,991
9 Antrim/Ballymena	£194,189	£174,029
10 Coleraine/Limavady/N. Coast	£198,711	£191,322
11 Enniskillen/Fermanagh/S. Tyrone	£222,522	£196,262
12 Mid Ulster	£219,489	£184,248
13 Mid & South Down	£221,367	£194,065
14 Craigavon/Armagh	£180,848	£160,156

The House Price Index

The house price index reflecting the overall rate of increase in the market and specifically the increases for individual property types has surged to another new peak. The index, which is calculated relative to the base quarter for the survey in 1984, now stands at 750.91.

Comparison between the house price index, which measures nominal growth, and trends in the Retail Price Index indicates that house prices in Northern Ireland are increasing at a level significantly above the general rate of inflation in the macro UK economy. Such growth trends highlight the reason for the high level of investment in the housing market with the capital growth achieved proving to be the key driver in this process.



Contributors

- Acorn Homes
- Adrian J McElroy & Co.
- A& H Properties
- Alexander, Reid & Frazer
- Armstrong Gordon & Co.
- Best Property Services
- BH McCleary & Co.
- Bill McCann Estate Agency
- Bill McKelvey Estate Agents
- Blair and Boyd
- Brian Morton & Co.
- Brian Todd
- Brian Wilson
- Brice & Co.
- Burns & Co.
- Century 21 Network Property Services
- Century 21 McIvor Homes
- City Property Services
- Clarke Cullen Partnership
- Cookstown Property Services
- Corry and Stewart
- Country Estates
- Countrywide Estates Martin Quinn
- Cowley Estate Agents
- Coyles
- CPS
- Curran Associates
- Daniel Henry Estate Agents
- Daniel Platt Property Services
- Daniel McGeown & Company
- David McCalmont & Co.
- DH Stevenson and Cumming
- Donnybrook Estate Agents
- Eadie McFarland & Co.
- Fred Dalzell & Partners
- Gerry O'Connor
- Gillian Campbell
- HA McIlwrath & Sons
- Halifax Property Services
- Hampton Estates
- Hanna Hillen Estates
- Harry Clarke & Co.
- Homelink
- HR Douglas & Sons
- Hunter Campbell
- JA McClelland & Sons
- James Wilson & Son
- JG Fleming
- John McQuoid & Sons
- John Minnis Estate Agents
- John Neill & Sons
- John V Arthur
- Joyce Estate Agency
- Keiran Taggart Estate Agency
- Lindsay Fyfe & Co.
- Locate Estate Agents
- Mark McAlpine & Co.
- Martin & Dunlop
- McAfee Properties
- McClelland Salter
- McDonagh Property Consultants & Chartered Surveyors
- McFarlane & Smyth
- McGrady Hopkins
- McMillan Estate Agents
- MCW
- Michael Hannath Property Consultancy
- Mid Ulster Properties
- Montgomery Finlay
- Mortgage Property Shop
- Myles Danker
- Norman Devlin
- Norman Morrow & Co.
- Oakland Property Services
- O'Connor Kennedy Turtle
- O'Hare Estate Agents
- O'Keefe Estate Agents
- O'Reilly Property Services
- Peter Rogers
- PJ Bradley
- PJ McIlroy & Son
- Pollock Estate Agents
- Pooler Estate Agency
- Porter Estate Agency
- Quinn Bros
- RA Noble & Co.
- Rainey & Gregg Property and Mortgage Centre
- R Benson and Son
- Robert Ferris
- Robert Wilson Group
- Robert G Quigley
- Sawyer & Co.
- Shanks & Co.
- Seamus I Cox & Co.
- Shooter Property Services
- Smyth Properties
- Stanley Best
- Stephen Carson Estate Agency
- Stevenson & Cumming
- Tandragee Property Sales
- Taylor & Co.
- Templeton Robinson
- Terry Millar
- The Eric Cairns Partnership
- The Hopkins Partnership
- The Property Spot
- Tim Martin & Co.
- Ulster Property Sales
- Walter Jones
- Wylie Property



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