

# Northern Ireland Quarterly House Price Index

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**Housing**  
Executive



PROGRESSIVE  
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# Introduction

**This survey analyses the performance of the Northern Ireland housing market during the fourth quarter of 2021 (October, November, December). The report details the key trends and spatial patterns in the housing market, drawing comparisons with the fourth quarter of 2020 as a measure of annual change and with the third quarter of 2021 as an indicator of quarterly change. The report is produced by Ulster University in partnership with the Northern Ireland Housing Executive and Progressive Building Society.**

The price statistics are based upon market evidence as the housing market, wider economy and society continue to feel the effects of the COVID-19 epidemic. The previous surveys illustrated that there have been obvious changes to normal market operations, noting that behavioural forces have been driving housing market demand and bidding up activity. This survey shows that this trend has continued with no let-up in the final quarter of the year in relation to demand and prices, especially for the middle pricing tier of the market which is keeping the market buoyant. It now appears that supply issues are firmly impacting upon market pricing levels which is contributing to unsustainable price growth.

This report is premised upon 2,234 transactions. Information is presented on the residential property market for Northern Ireland and the report includes analysis of average sale price by different property types across Northern Ireland (where applicable and available). The overall performance of the housing market is measured by a weighted index and reflects the market share of each property type. The index captures various movements within a single statistic and allows for the analysis of changes over time. At sub-regional level, the analysis in this report considers market pricing within each Local Government District (LGD) throughout Northern Ireland. In addition, to reflect the localities within which households tend to make decisions about house purchase, the regional analysis also presents price trends based on functional housing market areas (HMAs) defined by the Housing Executive in 2018.

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# Foreword from Northern Ireland Housing Executive

## 2022: Cautious optimism?

This time last year, looking back on 2020 and forward to 2021, the Housing Executive commentary on the quarterly House Price Index report noted the year's unprecedented events, and the uncertainty that lay ahead. It was anticipated that a number of issues – including the easing of virus-related restrictions, the state of the labour market and housing supply – would influence the stability (or otherwise) of the housing market in 2021. Twelve months on, the evidence indicates that 2021 was the busiest year in recent memory for Northern Ireland's housing market, with the high demand – particularly for larger properties – exerting upward pressure on the average price of properties transacting.

At 2,234, the number of transactions sampled in the final quarter of 2021 was lower than in the two preceding quarters. This was in line with long-run seasonal trends, but the figure was also more closely aligned with pre-pandemic activity levels. Similarly, while the average price of dwellings transacting was 8.3% higher, on a weighted basis, than during the equivalent period in 2020, the quarter-on-quarter change – from £198,821 in Q3 to £198,890 in Q4 – was marginal. A majority (57%) of estate agents that took part in the survey expected prices to remain constant in Q1 2022, although the remaining 43% anticipated further price growth in the first quarter. Whether the slowing in transactions and the apparent levelling off of prices represents a shorter- or longer-term cooling in the market remains to be seen, but once again, a multitude of variables – local, national and global – will influence the trajectory of the housing market in 2022.

### Inflation and interest rates

It was reported in January that the Consumer Prices Index had risen by 5.4% in the 12 months to December, the highest inflation rate on this measure in a data series that dates back to the beginning of 1997. Few can have failed to notice the increasing cost of the 'weekly shop', and it is expected that the rate of inflation will continue to rise during 2022, with supply chain issues and the escalating cost of food and energy putting pressure on household finances, especially for those on lower incomes. By way of response, it is expected that the Bank of England will raise interest rates, which would, in turn, have implications for the cost of borrowing, including mortgage rates.

### Employment

Figures published in January<sup>1</sup> indicated that the number of payrolled employees in Northern Ireland had climbed to 773,400 – the highest figure on record. However, total employment was still below pre-pandemic levels. Similarly, while the claimant count<sup>2</sup> had decreased for a tenth consecutive month (to 42,600 - 33% lower than at its peak in May 2020), it remained substantially (40%) higher than the pre-pandemic level in March 2020.

Northern Ireland also continued to have the highest rate of economic inactivity in the UK, at 27.6% compared with an average of 21.3%. While 2021 was characterised by a tight job market and labour shortages, the Governor of the Bank of England has warned that a period of inflation would restrain demand in the economy, which could lead to a rise in unemployment.

### Housing Supply

While new homes account for only a small fraction of the overall housing stock at any given time, they have generally comprised at least one fifth of the dwellings transacting in the quarterly sample for the House Price Index analysis, and are a key component of the overall housing supply. Not surprisingly, new private dwelling completions were down by more than one tenth in 2020 by comparison with the previous two years. It looks likely that output will have returned to pre-pandemic levels in 2021, but challenges remain for the construction industry in the shape of supply chain issues and rising costs<sup>3</sup>. The Draft Housing Supply Strategy<sup>4</sup>, published for consultation by the Department for Communities in December 2021, sets out a number of key objectives over the next 15 years, including increasing supply and affordable options across all tenures to meet housing need. A key aspect of the strategy is the 'enabling principle', which indicates the Department's intention to work collaboratively with a variety of partners to transform supply.

Looking ahead to 2022, most estate agents who took part in the research for this report expect ongoing demand and consumer confidence in the local housing market. As we continue to monitor these trends, as well as the wider economic issues and geo-political tensions that set the scene, a truly collaborative approach will be key in helping to maintain the stability of housing supply and the various components of the housing market.

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<sup>1</sup> NISRA (January 2022) Northern Ireland Labour Market Report [www.nisra.gov.uk/system/files/statistics/Labour-Market-Report-January-2022\\_0.pdf](http://www.nisra.gov.uk/system/files/statistics/Labour-Market-Report-January-2022_0.pdf)

<sup>2</sup> The claimant count is an administrative data source derived from Jobs and Benefits Offices systems, which records the number of people claiming unemployment-related benefits.

<sup>3</sup> 'Challenges facing construction industry call for ambitious agenda from next Executive' – Construction Employers Federation, January 2022 [www.cefni.co.uk/news/challenges-facing-construction-industry-call-for-ambitious-agenda-from-next-executive](http://www.cefni.co.uk/news/challenges-facing-construction-industry-call-for-ambitious-agenda-from-next-executive)

<sup>4</sup> DfC (December 2021) Housing Supply Strategy [www.communities-ni.gov.uk/sites/default/files/consultations/communities/dfc-housing-supply-strategy-report\\_0.pdf](http://www.communities-ni.gov.uk/sites/default/files/consultations/communities/dfc-housing-supply-strategy-report_0.pdf)

# Foreword from Progressive Building Society

For the fourth consecutive quarter, Northern Ireland's housing market has maintained strong levels of buoyancy, ending the year with a 1.1% quarterly price growth and an annual increase of 8.3%. High levels of market demand throughout 2021, compounded by a lack of quality housing stock, resulted in one of the busiest years in recent times for residential transactions, particularly for larger properties. In line with the seasonal fall in transactions during Q4, the quarter-on-quarter price rise of 1.1% does suggest a levelling off in prices, at least in the short term, with the overall average price of a residential property in Northern Ireland for Q4 2021 rising modestly to £198,890.

However, the supply-demand imbalance remains and as we look forward to the opening quarter of 2022, the consensus among agents is that current prices will remain constant during quarter one, with continued confidence in the housing market and consistent levels of buyer activity. The ongoing momentum experienced within the Northern Ireland housing market in 2022 will be influenced by specific factors including a pent-up supply pipeline, the pronounced rise in raw material costs, inflation at its highest level for many years, and the potential of interest rate rises imposed by The Bank of England.

### Regional Outlook

Analysis at the regional level, based upon the 11 Local Government Districts (LGDs), indicates geographic variation in price growth representative of local market demand and the nature of properties within and coming on to the market, though it is noted regional price changes are less varied than in previous quarters.

Six of the 11 LGDs surveyed exhibited quarterly price increases in Q4 2021, the largest of which was within Fermanagh and Omagh (£240,453; +24.9%), making it the most expensive region in Northern Ireland largely due to the nature of stock transacting. For instance, within Fermanagh and Omagh, detached dwellings accounted for a higher percentage of sales in Q4 2021 than in the previous six quarters. Further examination of the regional property market reveals that semi-detached and detached property transactions were similarly prevalent in the Mid-Ulster LGD, where the average price increased by 20.4%, from £175,561 to £211,424. This however follows a 13% drop in the previous quarter, and part of the stabilising effect of Q4's growth. Another double-digit rise was recorded in Armagh City, Banbridge and Craigavon (£187,815; +14.6%), while house prices also increased moderately across Mid & East Antrim (3.7%) and Newry, Mourne

& Down (8.1%). Meanwhile, the Lisburn & Castlereagh LGD remains effectively unchanged, with the average house costing £212,379.

In contrast to the more 'rural' LGDs, average prices remained unchanged or decreased within larger urban centres during Q4. In Derry City and Strabane, for instance, there was a pronounced price decline of 15.4%, however this followed a 17% growth between Q2 and Q3 and is largely indicative of the nature of stock transacting. Similarly, the Belfast LGD experienced a more modest price decrease of 6.8% over quarter three, though this is attributed to the terrace segment accounting for 36% of all transactions, and detached constituting just 11% of the Belfast sample. Other LGDs where prices declined include Causeway Coast & Glens (-12.3%), along with Antrim & Newtownabbey (-5.5%), and Ards & North Down (-1.4%) with average prices of £159,751 and £217,430 respectively.

### Summary

While Q4 was a quieter period overall for transactions, in line with seasonal trends, Northern Ireland's housing market remained buoyant in the final quarter of 2021, consistent with the vibrancy we have seen throughout 2021 which has seen strong demand and increased levels of activity. A post-pandemic outlook, coupled with continued market confidence, sets the scene for a positive outlook for the housing sector in 2022, with the consensus among agents being that market buoyancy will continue in the year ahead.

There are a number of factors that may influence the success of the market in 2022 including increased inflation, the potential rise in interest rates, levels of employment and sectoral supply issues. However, a post-pandemic outlook, coupled with continued market confidence sets the scene for an active housing sector in 2022 with the consensus among agents being that strong levels of transactions will continue over the next 12 months. At Progressive, we continually measure the changing performance of NI's housing market to ensure we provide residential support and guidance to our members. We are committed to offering a flexible approach with each mortgage application considered on a case-by-case basis ensuring that people in Northern Ireland can achieve their home ownership goals.

### Michael Boyd

Deputy Chief Executive & Finance Director  
Progressive Building Society



# General Market Trends

The main findings of this survey indicate a market which continues to exhibit price growth as a consequence of strong levels of market demand coupled with supply inelasticity. The House Price Index shows a quarterly price growth of 1.1% with annual price increases equating to 8.3%. Throughout 2021 the market displayed consecutive-quarter price growth driven by high demand and market optimism. This buoyancy has continued into the final quarter of the year, although has slowed this quarter due to market demand and supply imbalance - particularly the lack of supply, which may continue to pose a number of potential challenges within the housing market moving into 2022.

This latest survey indicates a residential property market that continues to exhibit increasing price growth within the detached segment of the market led by market demand signals, but one which is being curtailed by the supply of quality housing stock. The price changes in the market have become more variable and it is notable that in the final quarter of year price growth appeared to be softening, showing the lowest quarterly change across 2021.

The overall average price of residential property in Northern Ireland for the final quarter of 2021 is £198,890, which represents a weighted annual level of growth of 8.3% between Q4 2020 and Q4 2021 . Where quarterly movements are concerned, the Index displays an increase of 1.1% relative to Q3 2021<sup>5</sup>. This price growth remains driven by increases within the detached segment of the market over the quarter.

### Agent commentary Q4 2021

Responses to the agent survey for Q4 2021 reaffirm the positivity in buyer sentiment, which has been a dominant feature of the housing market in Northern Ireland throughout the course of year. Activity levels traditionally tail off slightly towards the end of the calendar year and 36% of survey respondents confirmed that activity levels had declined from the previous quarter. Nonetheless, a further 36% of respondents reported an increase in transaction volumes relative to Q3 activity levels. The robust transaction activity has been underpinned by a high volume of buyer enquiries, with almost 93% of survey respondents reporting heightened enquiries or levels on a par with the previous quarter.

The volume of viewings to sale agreed ratio was consistent over the course of 2021. Constrained levels of supply in areas of high demand has ensured that the number of properties attaining sale agreed status remained buoyant over the course of Q4. Indeed, 50% of agent respondents confirmed that increased viewings had again prompted heightened levels of agreed sales with time on the market – that is, the date of listing through to sale agreed – also diminishing. The overwhelming majority of agents (93%) expect market buoyancy to continue through into 2022 with the demand-supply imbalance continuing to play a dominant role in market dynamics.

In terms of the market pricing structure, the calendar year 2021 saw continued price inflation. As we enter 2022 the majority of agents do not anticipate further price inflation over the course of the first quarter, with 57% of agents surveyed expecting prices to remain constant. However, the remaining 43% of agents did anticipate further price growth during Q1 2022, driven by a combination of heightened buyer activity, the pent-up supply pipeline and the pronounced escalation in raw material costs. Perceptions of purchaser sentiment remain strong and similar to our survey results for Q3, with 64% of agents reporting confidence to be akin to the previous quarter and a further 36% inferring that consumer confidence had increased over the final quarter of 2021.

Agent responses suggested that the phasing out of the stamp duty holiday had only a marginal impact on activity levels over the course of Q4 2021, and had not been detrimental to achieving completions levels on a par with expectations for the final quarter of the year. The consensus of opinion within the agent community is that the market will remain buoyant, as the stamp duty holiday was not considered the key driver of heightened market activity amongst prospective purchasers.

Lack of stock – particularly detached family homes within the mid-range (£250,000-£500,000) pricing bracket is an acute problem. Over the course of 2021 many detached property listings achieved sale prices considerably in excess of their listed values. Responses to the agent survey in Q4 highlight that agent stock levels are 30% less than they were 12 months previously and in some areas of acute demand available stock levels are circa 60% less. Until the supply-demand imbalance is addressed it is difficult to anticipate any significant correction in pricing levels over the short term, with heightened build costs and lack of activity within the new build sector only serving to reinforce prevailing pricing structures as we move into 2022.

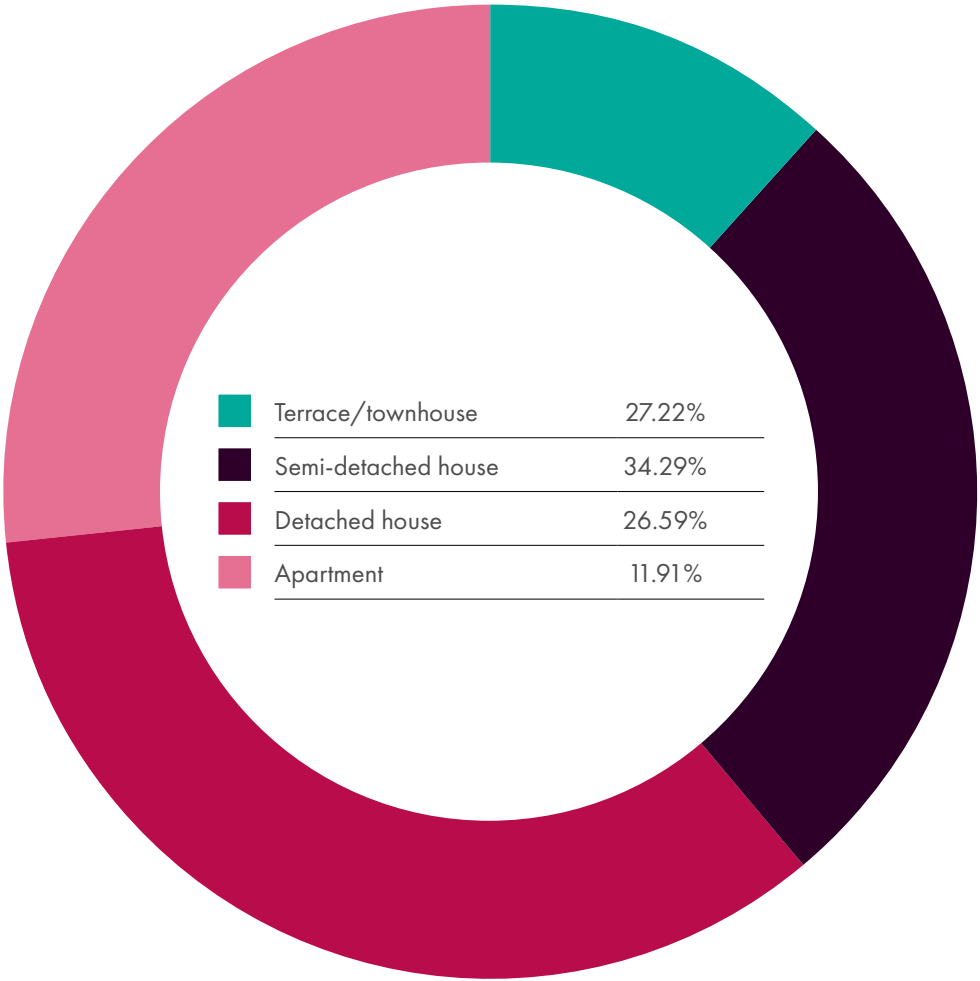
<sup>5</sup> The HPI weights the sample mix by property type which compares price and quantity statistics from the current period in relation to the base period.

### Sample distribution

The data collected since the onset of the COVID-19 pandemic has provided evidence of a subtle shift in transactions across the sample price distribution. The three previous quarters observed increased transactions within the middle to high price range which has continued to increase this quarter. The proportion of lower priced properties (below £100,000) equated to 14.5%, showing a marginal increase of a fifth of a percentage point (0.2%) from Q3 2021. Properties sold at or below £150,000 accounted for 43% of transactions, representing a two percentage point increase compared to the previous quarter (41%). In the mid-to-higher price brackets, 69% of transactions were at or below £200,000, representing a three percentage point increase from the previous quarter. In the upper pricing levels of the market, the proportion of properties sold at or below £250,000 increased by 2% from the previous quarter, standing at 83%.This increase in transactions indicates a movement in the pricing distribution within these value ranges over 2021. Transactions below £300,000 equated to 90% of the sample, up two percent from the previous quarter.

The sample representation by property type this quarter is indicative of the wider housing market stock profile and remains in line with previous quarters, with minor changes notable. Semi-detached houses continue to be the most common property type in the sample, representing 34% of all transactions (n=766). Terraced/townhouses equate to 27% of the sample, up 2% from quarter three (n=608), while apartments continued to account for the smallest share of the market, although up 2% from Q3 levels (12%; n=266). Detached houses comprised 27% of all sales (n=594), marginally down from Q2 and Q3 2021. At 17% (n=388), the proportion of new build properties within the sample was approximately six percentage points below the average over the last four years or so and down a further percentage point from Q3 2021. This remains in line with agent commentary, which points toward a housing market facing challenges in terms of lack of housing available within the market.

Figure: Market Share by Type of Property



<sup>6</sup> Statistics gathered from the latest register of recorded households reflecting the market compilation of property types across Northern Ireland.





# Performance by Property Type

Analysis by property type indicates sizeable annual price growth within the detached segment of the market, with more moderate increases witnessed for the terrace/townhouse and semi-detached sectors. While quarterly price movements show small price decreases for the terrace/townhouse and semi-detached sectors, there was continued price growth in the detached sector and nominal growth within the apartment sector.

In terms of simple percentage changes, the analysis provides a snapshot that enables comparison of the current average price with the corresponding statistics for Q4 2020 (annual change) and Q3 2021 (quarterly change). In annual terms, the average price statistics exhibit an 8.1% increase from Q4 2020 levels. Where quarterly change is concerned, the average price increased nominally – by 0.03% – between Q3 2021 and this quarter (Q4 2021).

Comparative analysis by property type over the year, in parallel with the overall annual increase, shows varied levels of average price changes. The terrace/townhouse sector exhibited a 5.8% annual increase compared to Q4 2020, with the semi-detached and detached sectors showing annual price growth of 4.2% and a more notable 12.1% respectively. The apartment sector displays lower annual price growth of 0.4%. In terms of quarterly price changes, both the terrace/townhouse sector and semi-detached show price declines of 1.6% and 2.6% respectively. However, there was nominal growth (0.2%) in the apartment sector and more modest growth of 1.8% for detached properties in the sample over the quarter. The findings suggest that the market, whilst remaining buoyant, is potentially beginning to correct, certainly in some sectors, as the lack of stock may be impacting on preference.

The overall average price in the terrace/townhouse sector stands at £128,496 (n=608). The average price of traditional private-sector built terrace dwellings was £117,375 (n=473), while townhouses displayed an average of £167,461 (n=135). However, the average price of public sector-built terrace dwellings sold during the quarter remained substantially lower (£106,810; n=158). The semi-detached sector showed an average price of £176,018 (n=766) with private-built dwellings displaying an average of £177,983 (n=725), compared with an average of £138,698 (n=37) for public-built resale semi-detached housing. The overall average price of detached housing was £291,288 (n=594). For apartments, the average price in the market was £144,869 (n=243), with differences evident between the average price of private-built apartments (£145,566, n=317) and those originally built within the public sector (£91,570; n=23).

## Average price by property type (unweighted % change)

Market sector	Annual % change	Quarterly % change	Average Price Q3 2021	Average Price Q4 2021
Terrace/townhouse	5.8%	-1.6%	£130,597	£128,496
Semi-detached house	4.2%	-2.6%	£180,641	£176,018
Detached house	12.1%	1.8%	£286,072	£291,288
Apartment	0.4%	0.2%	£140,021	£140,260
N. Ireland	8.1%	0.03%	£198,821	£198,890

## Average price by Local Government District

Local Government District	Average Price Q3 2021	Average Price Q4 2021	% change Q3-Q4
Antrim & Newtownabbey	£169,043	£159,751	-5.5%
Ards & North Down	£220,538	£217,430	-1.4%
Armagh City, Banbridge & Craigavon	£163,864	£187,815	14.6%
Belfast	£182,311	£169,929	-6.8%
Causeway Coast & Glens	£203,106	£178,233	-12.3%
Derry City & Strabane	£149,085	£126,114	-15.4%
Fermanagh & Omagh	£192,571	£240,453	24.9%
Lisburn & Castlereagh	£212,386	£212,379	0.0%
Mid & East Antrim	£160,351	£166,319	3.7%
Mid Ulster	£175,561	£211,424	20.4%
Newry, Mourne & Down	£198,171	£214,123	8.1%

## Average Price by Functional Housing Market Areas

HMA	Average Price Q3 2021	Average Price Q4 2021	% change Q3-Q4
Ballymena HMA	£139,583	£155,996	11.8%
Belfast Metropolitan HMA	£200,499	£188,659	-5.9%
Causeway Coast HMA	£202,499	£193,836	-4.3%
Cookstown HMA	£193,359	£184,019	-4.8%
Craigavon Urban Area HMA	£170,326	£190,488	11.8%
Derry HMA	£155,570	£144,779	-6.9%
Dungannon HMA	£153,250	*	*
Fermanagh HMA	£204,988 °	£274,714	34.0%
Newry HMA	£194,371	£238,371	22.6%
Omagh HMA	£163,951	£155,780	-5.0%
Strabane HMA	*	£128,470	*

\* denotes insufficient sample size for price change determination.  
° note this is based on a small sample and may not be fully representative.

Belfast Metropolitan Area Local HMAs	Average Price Q3	Average Price Q4	% change
Antrim Local HMA	£183,427	£164,537	-3.8%
Core Belfast HMA	£203,188	£199,851	-4.0%
Greater Belfast HMA	£193,351	£195,317	1.0%
Central Local HMA	£205,147	£192,198	-6.3%
Lisburn HMA	£189,148	£196,892	4.1%
Ards & Down Local HMA	£204,820	£182,772	-10.8%
East Antrim	£166,245	£148,328	-10.8%



# Performance by Region

Analysis at the sub-regional level, based upon the eleven Local Government Districts (LGDs) and the Housing Market Areas (HMAs) identified in research for the Housing Executive, highlights the variation in regional pricing levels across Northern Ireland. The price change performance across the LGDs remained varied, displaying nominal price increases and decreases relative to the third quarter of 2020, although the regional price changes are less varied than in previous quarters. These changes remain driven by the different types of stock which are transacting within the market areas.

### Local Government Districts

In line with previous surveys, the geographic variation in average house prices across the LGD areas remains spatially uneven and characteristic of local market demand and supply imbalances and the nature of the housing stock within the market and coming onto the market. When considering the price change statistics this quarter in comparison with quarter three, five of the eleven LGDs noted price declines, with the remaining markets displaying price change growth. In line with the agent commentary, this appears to be representative of the subtle changes to stock being listed and transacted within the market areas and the limited availability of quality stock which is driving ‘bidding wars’, particularly for detached housing.

Some of the more rural markets areas saw the largest price changes in the final quarter of 2021. The highest average price and the greatest degree of price growth over the quarter were in Fermanagh and Omagh (£240,453; 24.9%), where detached dwellings accounted for a higher percentage of sales in the sample than in the previous six quarters. Similarly, semi-detached and detached property transactions were predominant in the Mid-Ulster LGD, where the average price increased by 20.4%, from £175,561 to £211,424. However, the sharp rise in the average price in Mid Ulster followed a 13% drop in the previous quarter, and part of the Q4 growth represents a reversion to normal levels.

In contrast to the more ‘rural’ LGDs, average prices remained unchanged or decreased over the quarter in LGDs with larger urban centres. In the Belfast LGD, where the terrace segment of the market accounted for 36% of transactions and detached constituted only 11% of the sample, there was a moderate price decrease of 6.8%. In Derry City and Strabane there was a more pronounced price decline, although, this followed from growth of 17% between Q2 and Q3. The Causeway Coast LGD also exhibited a fall in the average price, again largely representative of the nature of the stock transacting. Similar to previous surveys, the analysis suggests that the ongoing change across the respective price distributions within each LGD continues to be due to market pressures, local demand tastes and the nature and availability of the stock transacting.

The variability of average prices within the LGDs continues to reflect the varying composition of the housing stock against the sample sales average price information, albeit this is weighted using market stock composition. The coefficient of variation (CoV) exhibits relatively disparate price variability within market geographies; both decreases and increases in the spread of prices at LGD level over the quarter reflect the price ranges of the stock transacting in different areas.

On this measure, the findings are in line with the previous quarter, when there was an increase in the variation of pricing levels, relative to the average for each district, in comparison to the first two quarters of the

year. While price variation from the average ranged from 26% to 40% in most LGDs in Q2, variation both within and between districts increased in Q3, when the CoV ranged from 38% to 60%. During Q4, the range of pricing increased further; variability within districts ranged between 32% and 68% showing movement in the transactional pricing ranges. For example, the Q4 CoV in Mid-Ulster LGD was 68% in comparison with 38% observed in Q3 2021, indicating that in Q4 there was a greater spread of prices on either side of the average for the district. A number of other LGDs also showed considerable price variance during Q4, such as Ards and North Down (64.7%), Fermanagh and Omagh (61.4%), Newry, Mourne and Down (61.0%) and Belfast (63%).

### Regional Analysis based on Housing Market Areas

Regional analysis is also undertaken using the functional Housing Market Areas (HMAs) defined on the basis of research that was carried out for the Housing Executive to help guide spatial study of the housing system , as well as a number of more localised HMAs and sub-areas that function within and across the Belfast Metropolitan HMA<sup>7</sup>.

### Functional Housing Market Areas (HMAs)

The Housing Market Areas defined for the Housing Executive witnessed varying degrees of price change, again driven by the nature of the stock transacting within particular market sectors. In terms of house price growth, the Fermanagh HMA continued to show elevated patterns of price change (34% in Q4; 33% in Q3). Albeit that the analysis is based on a small sample, the quarter four transactional evidence showed that 69% of sales were in the detached sector – an increase from Q3 levels – and that 68% of the prices within this sector were above £210,000.

Price increases dominated by transactions for detached and semi-detached houses were also evident in the Newry (23%), Ballymena HMA (12%) and Craigavon Urban Area (12%) HMAs. Conversely, average prices declined in the remaining HMAs, with the Derry and Belfast Metropolitan HMAs recording decreases of 6.9% and 5.9% respectively. The Causeway Coast, Cookstown and Omagh HMAs showed softer price decreases ranging between 4.3% and 5.0%. Upon further inspection, these prices changes appear to have been driven by the rather wide variance of stock transacting. Within the Belfast HMA, approximately half the apartments in the sample sold below £122,000, and half of the terrace properties for less than £110,000 – representing 24% of the sales. This was also a discernible trend for the other HMAs of Derry, Omagh and Cookstown. As inferred in previous reports, this rather dynamic pricing behaviour continues to remain characteristic of market filtering practices and lead-lag effects alongside market demand tastes, the saturation of market product and lack of supply and the composition of stock transacting at both higher and lower prices in some HMAs.

<sup>7</sup> The Coefficient of Variation (CoV) is a measure of relative variability. It is the ratio of the standard deviation to the mean (average). The CoV is particularly useful when comparing results from surveys or samples that have different measures or values. In this case, for example, if the sample for District A has a CoV of 10% and the sample for District B has a CoV of 20%, we can say that District B has more variation in house prices, relative to its mean house price, than District A.

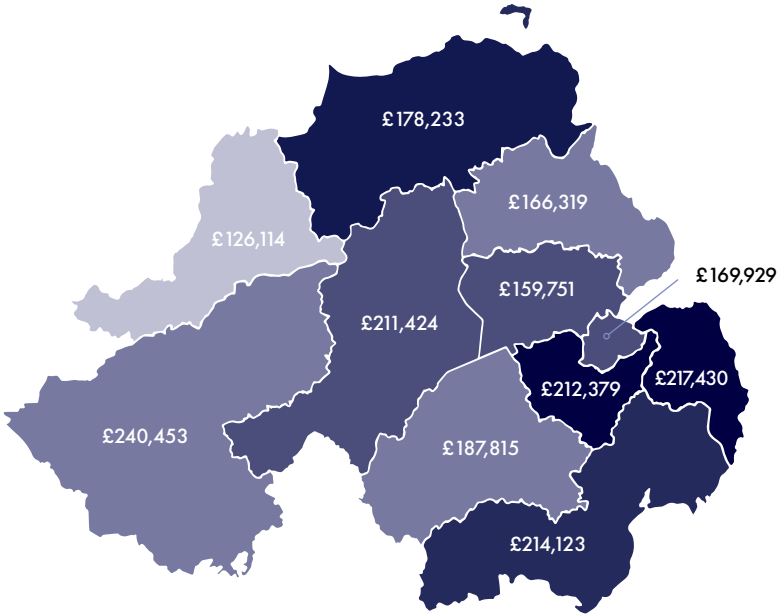
<sup>8</sup> The research identified eleven broad housing market areas within Northern Ireland. See: [www.nihe.gov.uk/getmedia/4ae016fe-6702-4080-983e-dac39738b342/Mapping-Northern-Irelands-Housing-Market-Areas.pdf.aspx?ext=.pdf](http://www.nihe.gov.uk/getmedia/4ae016fe-6702-4080-983e-dac39738b342/Mapping-Northern-Irelands-Housing-Market-Areas.pdf.aspx?ext=.pdf)

<sup>9</sup> These are as follows: Antrim Local HMA (made up of the sub areas of East Antrim and South Antrim); Ards and Down Local HMA (made up of the sub-areas of Ards and Down); and Core Belfast Local HMA (made up of Central or Core Belfast area and Lisburn).

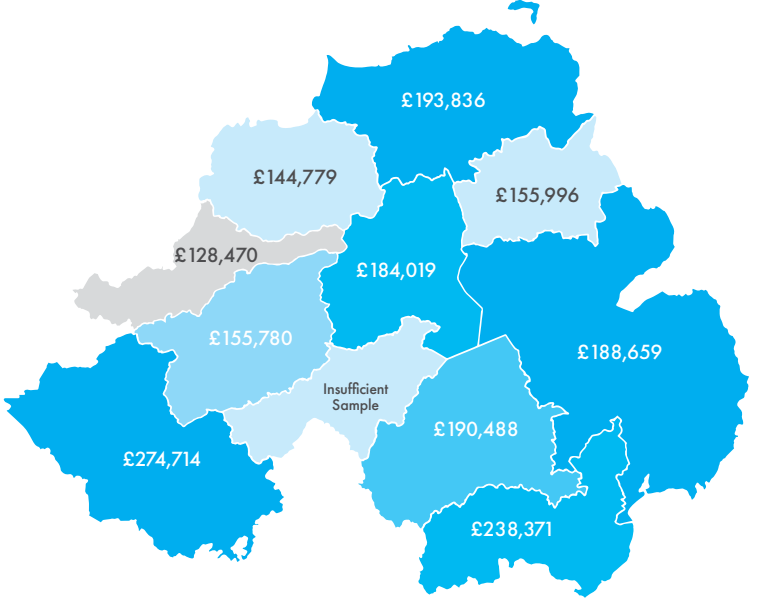
At the more localised geographies within the Belfast Metropolitan Housing Market Area, the Core and Central Belfast local HMAs recorded price decreases of 4.0% and 6.3%, bringing average prices to £199,851 and £192,198 respectively. At the Greater Belfast level, the average price was £195,317, representing a 1.0% increase from quarter three. In the more peripheral local market geographies, more notable price changes continued to be evident. Both the Antrim and East Antrim local HMAs, similar to last quarter, displayed average price decreases, of 3.8% and 10.8% respectively. However, after a rise of 12% in quarter three, the Ards and Down local HMA showed a decrease of 10.8%, to an average

price of £196,892, in Q4. The Lisburn local HMA was the only peripheral HMA within the wider Belfast Metropolitan HMA to display price growth (4.1%) to an average price of £196,892. The varied nature of the price movements within the local HMAs over the quarter appears to have been a consequence of market filtering and changing demand patterns.

LGD Average House Price Q4 2021	
	£126,114 - £150,000
	£150,001 - £175,000
	£175,001 - £200,000
	£200,001 - £215,000
	£215,001 - £230,000
	£230,001 - £240,453



HMA Average House Price Q4 2021	
	£128,470 - £150,000
	£150,001 - £160,000
	£160,001 - £180,000
	£180,001 - £200,000
	£200,001 - £240,000
	£240,001 - £274,714

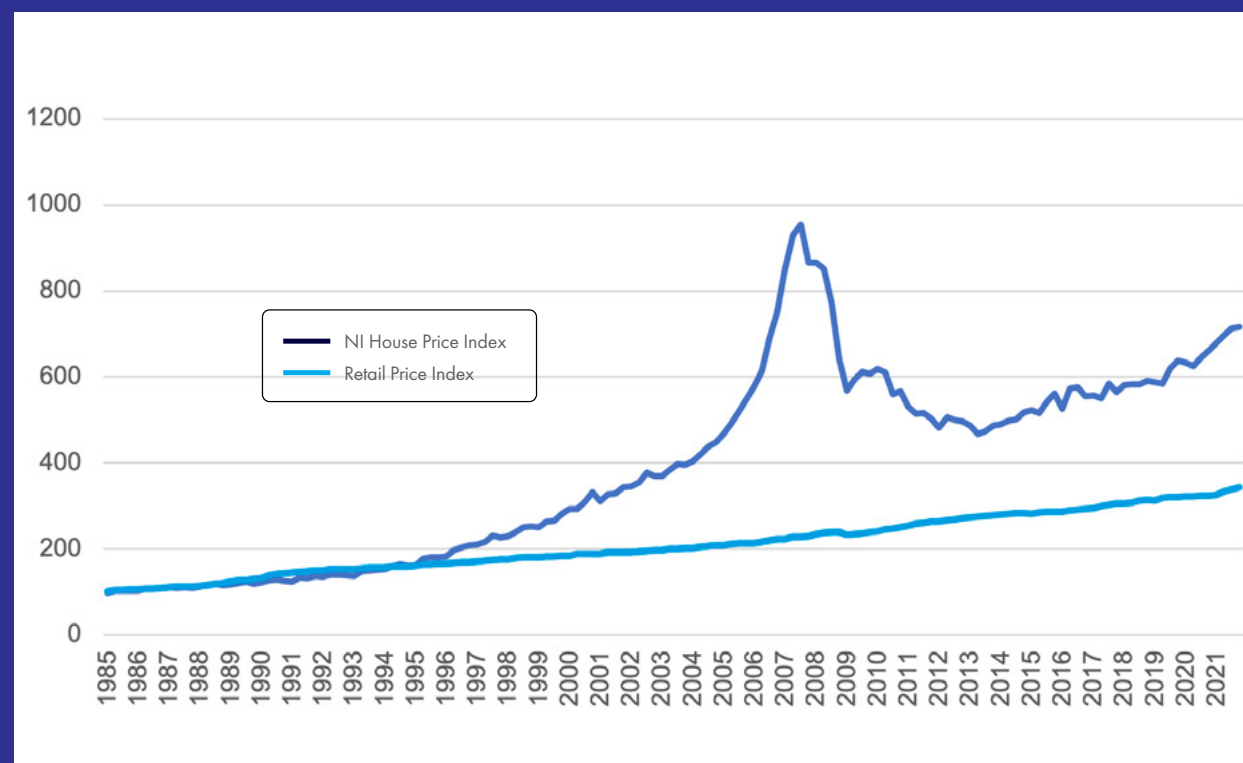




# The House Price Index

The long-term house price index is calculated relative to price levels for each property type at the base quarter for the survey, the final quarter of 1984. The overall index, standing at 716.88 in Q4 2021, is up just over 4 basis points relative to Q3 2021. The small increase in the quarterly values continues to be driven by strong demand, a benign lending environment and a lack of housing product in the detached segment of the housing market.

The pattern of the house price index since its rapid fall during 2008-2010 has been one of uneven performance. After trending downwards over the period 2011-2013, the overall picture since 2014 has been an upward trajectory for the index, which displayed less variation in price changes initially, but has witnessed more price variability, punctuated by periods of both slightly higher and lower average prices, since 2016. This variability seemingly subsided moving into the second half of 2019, which witnessed continued price increases illustrating more traction than in the previous six quarters. Despite the market interlude and disruption as a consequence of the COVID-19 pandemic, the housing market continues to exhibit strong demand signals, which have translated into sales and price growth across all segments of the market exhibiting six consecutive quarters of growth.



<sup>1</sup> Base = 100 in 1984

<sup>2</sup> Northern Ireland Labour Market Report January 2021: [www.nisra.gov.uk/system/files/statistics/labour-market-report-january-2021.pdf](http://www.nisra.gov.uk/system/files/statistics/labour-market-report-january-2021.pdf)

<sup>3</sup> [www.finance-ni.gov.uk/publications/new-dwelling-statistics](http://www.finance-ni.gov.uk/publications/new-dwelling-statistics)

<sup>4</sup> <https://ulstereconomix.com/2021/02/08/output-falls-at-fastest-pace-since-may-last-year-amid-covid-19-lockdown/#more-13210>

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