Performance of the Private Rental Market in Northern Ireland

Summary Research Report

January - June 2017

Housing Executive

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1.0 Introduction

The latest survey of the Northern Ireland private rental market indicates that, whilst rents have continued to grow over the last six months, there is some variability across the province. The report also notes a generally stable sector but with more flux than recorded in previous reports. While transaction volumes increased slightly over the half year, the overall trend is to the downside; this is possibly related to various regulatory and taxation changes affecting the private rental sector. Focusing on the performance of the private rental market in Northern Ireland during the first half (January-June) of 2017, the report provides an analysis of trends at district council level during this six month period. Section 2 provides a brief overview of the methodology. Section 3 provides an insight into the number of properties let in Northern Ireland by property type and number of bedrooms as well as the average monthly rent by property type, number of bedrooms and location. The overall performance of the private rental market is measured and presented by weighted rental indices. Section 4 examines rental performance within the Belfast City Council Area. A rent grid is presented to highlight variance in rents across the wider Belfast region at postcode district level and by number of bedrooms. Section 5 analyses rental performance at the district council level by number of properties let and the average monthly rent by property type and number of bedrooms. Section 6 presents conclusions.

2.0 Methodology

The Northern Ireland rent index is a tool designed for practical application by policy makers and stakeholders. For this reason, methodological simplicity and transparency are important. The research has combined rental data from PropertyNews.com with rent data provided by the Housing Executive. The rental data provided by the Housing Executive is used to calculate the Local Housing Allowance for the administration of private sector Housing Benefit. In order to combine the data sets, the rent data provided by the Housing Executive has been adjusted to the preferred monthly frequency and adjusted upward by property type to be inclusive of rates.

The statistics presented in this report are based on a sample of 9,475 rental transactions recorded on PropertyNews.com and NIHE (Housing Benefit in the PRS) database for the first half of 2017. The rental figures represent the average rent (per month) as advertised. Rented properties are classified as those that were let during the specified time period. The data has been cleansed to remove outliers, invalid observations, multiple entries and anomalies. The overall performance of the private rental market is measured by two weighted rental indices, one reflecting the weighted average by property type and the other by number of bedrooms. The indices measure change in average rent and are set to a base value of 100 for the first quarter of 2013.

3.0 Rental Performance in Northern Ireland

3.1 Distribution of Properties Let in Northern Ireland

During the first half (January-June) of 2017 there were **9,475** rental transactions in the private rented sector in Northern Ireland, reflecting a 6.2 per cent increase on the last six months of 2016. However, annual comparison with the same period the previous year represents a decrease of 13.2 per cent in the number of transactions (Figure 1). The figures continue to indicate transition in the rental sector, with a slowing in rental growth. This could potentially be explained by a number of regulatory, political and economic challenges experienced by the rental market over the last year, such as rises in stamp duty levy and changes to the treatment of mortgage interest for tax purposes.

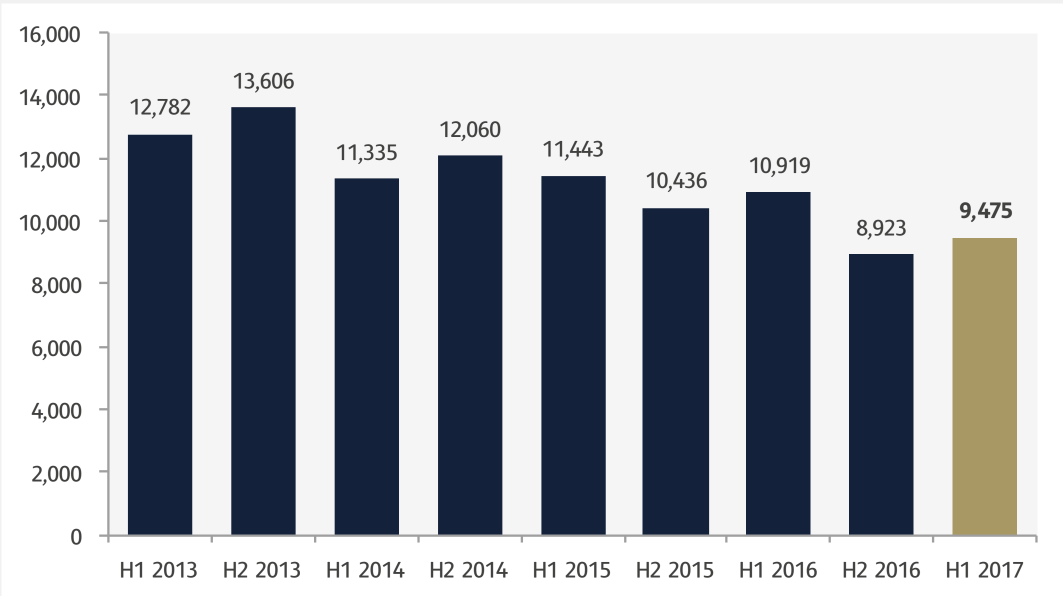


Figure 1: Number of dwellings let across Northern Ireland

Analysis by property type indicates that the rental market continues to be dominated by terrace/townhouse (38%) and apartment (33%) property types (See Table 1). The increase in transactions for the first six month period of 2017 is reflected across all sectors and most pronounced within the detached (12.9%) and semi-detached (8.9%) property types. In contrast, over the year all property types had fewer transactions.

Table 1: Properties let by type

Property Type	H1 2016	H2 2016	H1 2017	Half Yearly Change (%)	Annual Change (%)
Apartment	3,477 (32%)	2,967 (33%)	**3,140 (33%)**	5.8%	-9.7%
Terrace/Townhouse	4,384 (40%)	3,445 (39%)	**3,562 (38%)**	3.4%	-18.8%
Semi-detached	1,907 (18%)	1,547 (17%)	**1,685 (18%)**	8.9%	-11.6%
Detached	1,151 (11%)	964 (11%)	**1,088 (12%)**	12.9%	-5.5%
TOTAL	**10,919**	**8,923**	**9,475**	**6.2%**	**-13.2%**

Two and three bedroom properties remain the most common property size, accounting for over three quarters (77%) of properties rented during the first six months of 2017. In terms of the volume of rental transactions, there was some variability; while there was a 6 per cent fall in the number of one bedroom properties by comparison with the second half of 2016, properties with four or more (22.1%) and three bedrooms (8.9%) observed notable half yearly increases. In annual terms, the number of transactions across all bedroom categories was lower than during the first half of 2016. Decreases were most pronounced in the two (17.1%) and three bedroom (13.9%) categories, with one bedroom properties also showing sizable decline over the year (11.9%).

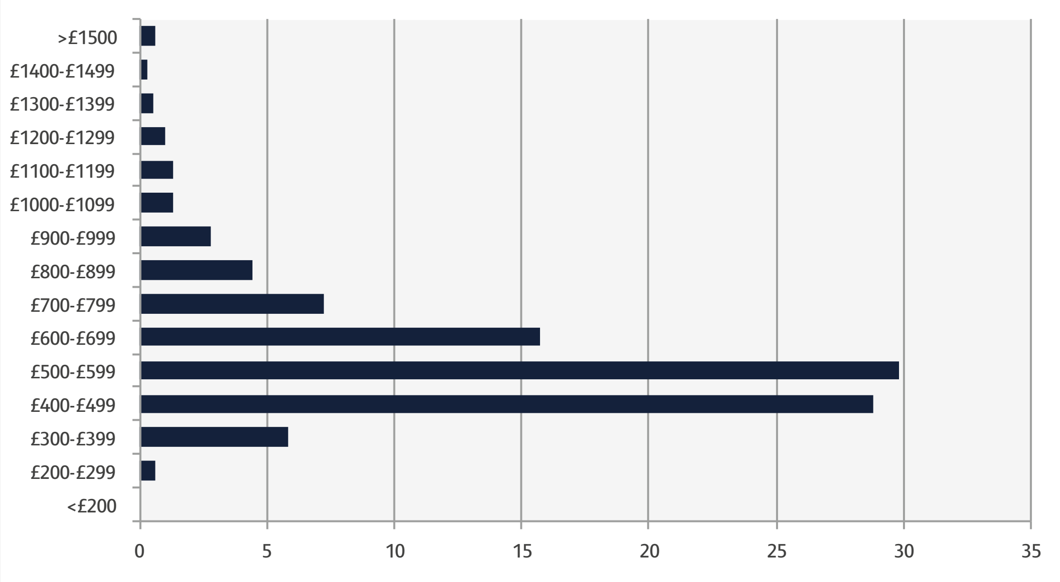
Table 2: Properties let by number of bedrooms

Number of Bedrooms	H1 2016	H2 2016	H1 2017	Half Yearly Change (%)	Annual Change (%)
1 bedroom	831 (8%)	779 (9%)	**732 (8%)**	-6.0%	-11.9%
2 bedroom	4,276 (39%)	3,511 (39%)	**3,543 (37%)**	0.9%	-17.1%
3 bedroom	4,368 (40%)	3,454 (39%)	**3,761 (40%)**	8.9%	-13.9%
4/4+ bedroom	1,444 (13%)	1,179 (13%)	**1,439 (15%)**	22.1%	-0.3%
TOTAL	**10,919**	**8,923**	**9,475**	**6.2%**	**-13.2%**

3.2 Distribution of Banded Monthly Rent

Figure 2 shows that the majority of rental properties let in the first six months of 2017 were in the £500-£599 (30%) and £400-£499 (29%) rental bands. A further 16 per cent of properties were let in the £600-£699 band. The figures also show a relatively narrow spread of rents over the period, with three quarters of all rents falling between £400 and £699. For this survey, the percentage of properties rented below £500 stands at 35 per cent. The proportion of properties rented for under £600 increases to 65 per cent, with 81 per cent of rents below £700. For the higher rental bands, 88 per cent of rents are below £800, 92 per cent of properties rented for below £900 and 95 per cent below £1,000.

Figure 2: Distribution of banded monthly rent



3.3 Northern Ireland Average Monthly Rent

Figures for the first half of 2017 show that rents across Northern Ireland continued to grow, and were 2.8 per cent higher during the first six months of 2017 than in the second half of 2016. The rate of growth over the year when compared with the same period in 2016 was greater still, at 5.3 per cent. The average rent for the first half of 2017 was £595, up from £579 in the previous six month period. This adds up to an additional £16 per calendar month, or £192 over a year. In terms of property type, the analysis (Table 3) reveals some variation in the rate of increase in average rents over the half year period. Half yearly increases in apartment (4.2%) and terrace/townhouse (3.8%) properties are apparent, with semi-detached properties showing nominal rental growth (0.2%). In annual terms, average rents were appreciably up across most property types, apart from detached properties where there was lower growth (1.5%).

Table 3: Average rent by property type

Property Type	H1 2016	H2 2016	H1 2017	Half Yearly Change (%)	Annual change (%)
Apartment	£550	£554	**£577**	4.2%	4.9 %
Terrace/ Townhouse	£536	£551	**£572**	3.8%	6.7%
Semi-Detached	£569	£592	**£593**	0.2%	4.2%
Detached	£715	£739	**£726**	-1.8%	1.5%
ALL	**£565**	**£579**	**£595**	**2.8%**	**5.3%**

Table 4 indicates the change in average rents over the half year period by number of bedrooms. All bedroom categories have seen slight increases in average rent, with the exception of one bedroom properties for which the average rent remained stable. In terms of annual change, the analysis shows moderate growth in average rent across all bedroom categories with four or more bedroom properties showing the greatest increase over the period, up 8.6% over the year.

Table 4: Average rent by number of bedrooms

Number of Bedrooms	H1 2016	H2 2016	H1 2017	Half Yearly Change (%)	Annual Change (%)
1 bedroom	£429	£442	**£441**	-0.2%	2.8%
2 bedrooms	£519	£528	**£536**	1.5%	3.3%
3 bedrooms	£562	£573	**£581**	1.4%	3.4%
4/4+bedrooms	£789	£840	**£857**	2.0%	8.6%
ALL	**£565**	**£579**	**£595**	**2.8%**	**5.3%**

3.4 The Northern Ireland Private Rental Index

The Northern Ireland Private Rental Indices (NIPRIs) measure change in average rents by property type and number of bedrooms. The indices are calculated using a weighted average by property type and number of bedrooms at the base quarter (Q1 2013 = 100). Table 5 shows that the rental index by property type stood at 112.5 at Q2 2017, having risen at a steady rate over the previous year and showing moderate and even performance over the first two quarters of 2017. Annual comparison reveals a strong increase over the year. Similarly, the Index by number of bedrooms stands at 112.9, reflecting a relatively steady increase over the previous year, from a value of 108.3 for the second quarter of 2016.

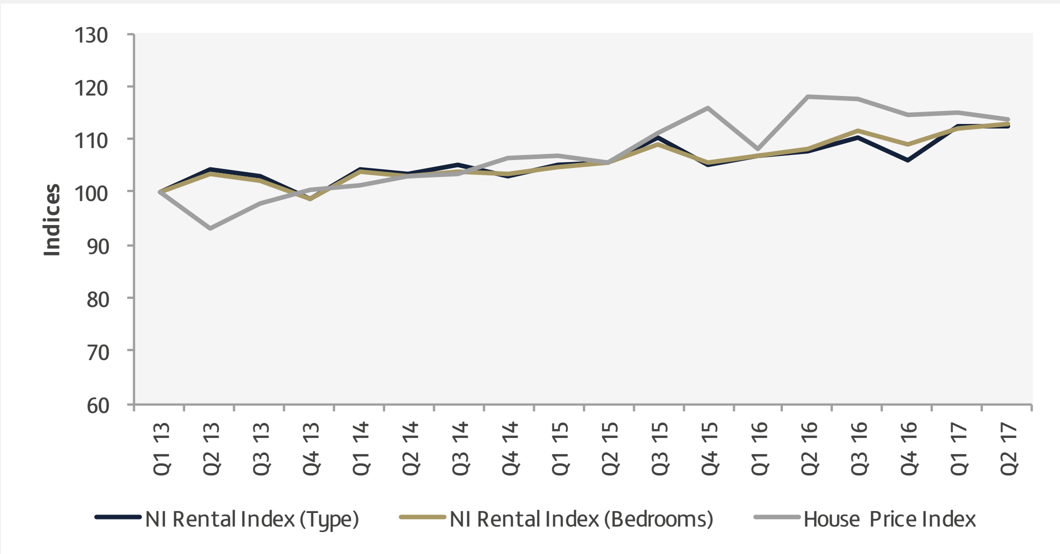
Table 5: Northern Ireland quarterly rental indices by type and bedrooms

Year	Quarter	NI Rental Index (House Type)	NI Rental Index (Bedrooms)
2013	Quarter 1	100 (Base)	100 (Base)
	Quarter 2	104.3	103.3
	Quarter 3	102.9	102.3
	Quarter 4	98.6	98.8
2014	Quarter 1	104.2	103.9
	Quarter 2	103.2	102.9
	Quarter 3	104.9	103.9
	Quarter 4	103.1	103.6

Year	Quarter	NI Rental Index (House Type)	NI Rental Index (Bedrooms)
2015	Quarter 1	105	104.9
	Quarter 2	105.5	105.4
	Quarter 3	110.2	109.2
	Quarter 4	105.2	105.4
2016	Quarter 1	107	106.8
	Quarter 2	107.5	108.3
	Quarter 3	110.2	111.6
	Quarter 4	105.8	109.1
2017	Quarter 1	112.6	111.9
	Quarter 2	112.5	112.9

The general trend over the course of 2014 and first half of 2015 was one of convergence of house prices and rents. In the first half of 2016, the owner-occupied sector trend points towards a strongly performing residential market with high transaction levels and renewed price increases in the second quarter of the year. This may reflect the reduced base rate and increased mortgage approvals within the housing market. By contrast, average rents showed a relatively smooth upward trajectory over the same timescale, reflecting strong rental market performance underpinned by buoyant transaction levels and increases in rents. Over the last six months of 2016, both house prices and average rents declined, suggesting more uncertain market conditions. Since the turn of the year, the trend has been one of convergence of the house price and rental indices (Figure 3), highlighting consolidation in the residential market, with average rent running broadly in parallel with average house prices over the second quarter of 2017.

Figure 3: Rental Indices v House Price Index Trend



4.0 Rental Performance in Belfast City Council Area

4.1 Distribution of Properties Let in Belfast City Council Area

In the period January-June 2017, there were **3,741** properties let in the Belfast City Council area (BCCA), a transaction decrease of 7.5 per cent on the last six months of 2016 and a much larger 24.6 per cent decrease over the year (Figure 4). However, the survey shows that Belfast continues to be the main rental market in Northern Ireland, representing 40 per cent of all rental transactions across the region - although this figure has fallen from 45% in the previous survey.

Figure 4: Number of dwellings let in Belfast City Council Area

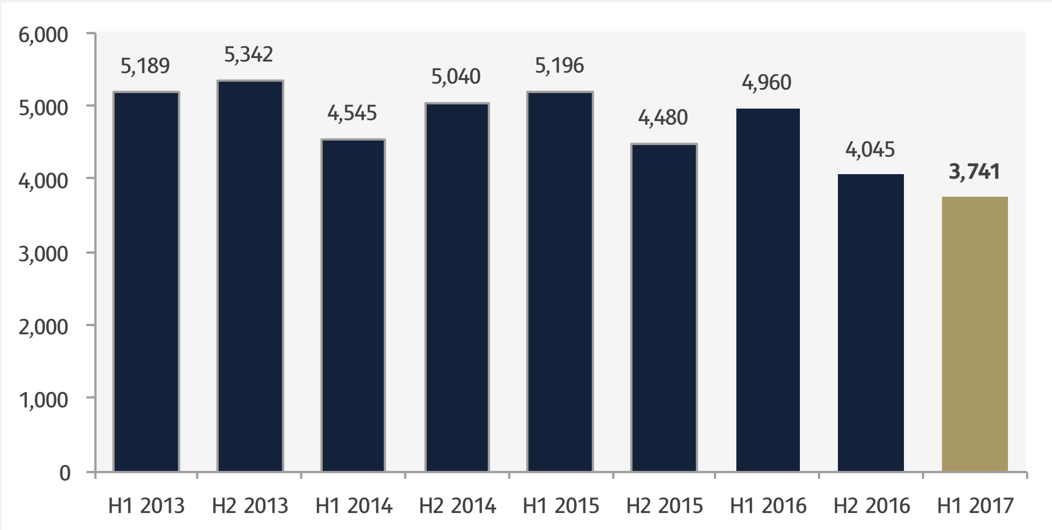


Table 6 shows the distribution of rented properties by property type. Almost nine tenths (88%) of properties let in the BCCA were terrace/townhouses (45%) and apartments (43%), slightly up compared to 86 per cent in the previous survey. The analysis also shows considerable half yearly decreases in the volume of rental transactions for semi-detached (20.4%) and detached (35.5%) properties, although the latter is from a low base. The annual picture is more pronounced, in both relative and absolute terms, with all property types recording sizable decreases; the number of detached and semi-detached properties let both fell by 38.2 per cent, and there was also a sizable rate of decrease (27.4%) in the number of terrace/townhouses lettings. The number of apartments let also decreased over the year, but to a lesser extent (16%).

Table 6: Properties let in Belfast City Council Area by property type

Property Type	H1 2016	H2 2016	H1 2017	Half Yearly Change (%)	Annual Change (%)
Apartment	1,924 (39%)	1,684 (42%)	**1,617 (43%)**	-4.0%	-16.0%
Terrace/Townhouse	2,293 (46%)	1,758 (44%)	**1,665 (45%)**	-5.3%	-27.4%
Semi-detached	599 (12%)	465 (12%)	**370 (10%)**	-20.4%	-38.2%
Detached	144 (3%)	138 (3%)	**89 (2%)**	-35.5%	-38.2%
TOTAL	**4,960**	**4,045**	**3,741**	**-7.5%**	**-24.6%**

Table 7 shows a pattern more consistent with previous surveys; two bedroom properties represent the most common property size, accounting for almost half of all properties let in Belfast (45%), a higher proportion than for Northern Ireland as a whole (37%). Three bedroom dwellings are the next largest group, accounting for just over one quarter (27%) of properties let over the period, a significantly lower proportion than in Northern Ireland as a whole (40%), which reflects the different structure of the rental market in Belfast.

Table 7: Properties let in Belfast City Council Area by number of bedrooms

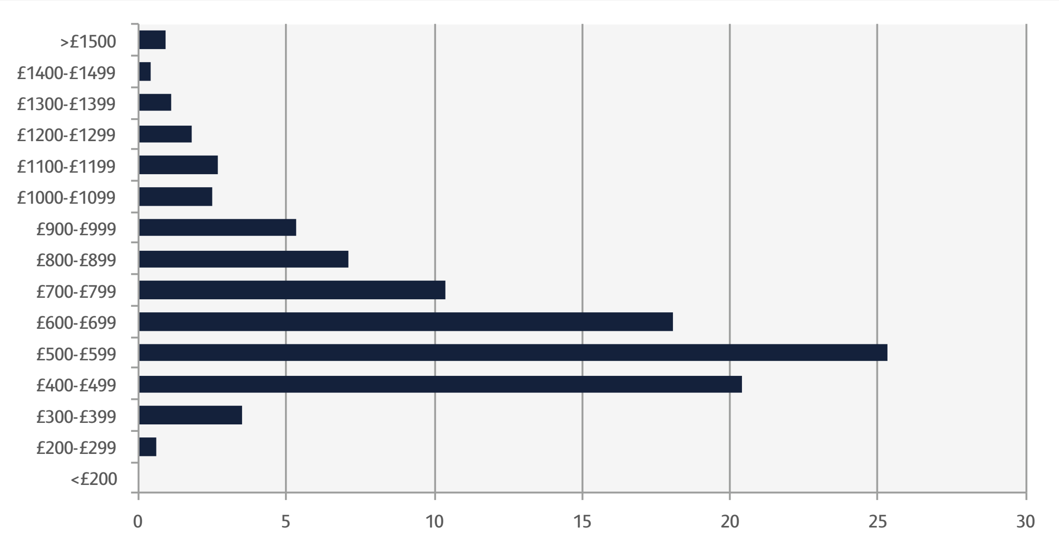
Number of Bedrooms	H1 2016	H2 2016	H1 2017	Half Yearly Change (%)	Annual Change (%)
1 bedroom	438 (9%)	460 (11%)	**337 (9%)**	-26.7%	-23.1%
2 bedroom	2,363 (48%)	1,921 (48%)	**1,693 (45%)**	-11.9%	-28.4%
3 bedroom	1,522 (31%)	1,115 (28%)	**1,005 (27%)**	-9.9%	-34.0%
4/4+ bedroom	637 (13%)	549 (14%)	**706 (19%)**	28.6%	10.8%
TOTAL	**4,960**	**4,045**	**3,741**	**-7.5%**	**-24.6%**

Figures rounded to the nearest whole number so may not total 100%

4.2 Distribution of Banded Monthly Rent in Belfast City Council Area

The distribution (Figure 5) shows that one quarter (25%) of all rental properties in the BCCA were let in the £500-£599 rental band and just over one fifth (20.4%) fell within the £400-£499 band. A further 18 per cent fell within the £600-£699 rent band, with 10 per cent of rent transactions in the £700-£799 category. The survey confirms the higher rent structure in the Belfast market. The proportion of properties rented below £500 stands at 25 per cent, with 50 per cent of rented properties under £600, compared to 65 per cent for all of Northern Ireland. The figures also reveal that 68 per cent of rental transactions were under £700; 78 per cent of transactions were below £800; 85 per cent of properties rented for below £900 and 91 per cent for below £1,000.

Figure 5: Distribution of banded monthly rent in Belfast City Council Area



4.3 Average Rent in Belfast City Council Area

The average monthly rent across the BCCA was £662 for the first half of 2017, rising by 6.3 per cent between January and June and representing an 8.9 per cent increase in the average rent compared with the same period last year. This adds approximately £39 per month to the average rent and is higher than the Northern Ireland average (£595). South Belfast (£777) was the most expensive rental location, increasing by 4.9 per cent, followed by the city centre (£773) which was appreciably up by 6.3% over the half year. North Belfast (£494) remained the lowest priced location in the BCCA (Table 8). Over the year, rental growth in the BCCA was strong, with increases across all regions of the Belfast market.

Table 8: Average rent in Belfast City Council Area

Location	H2 2015	H1 2016	H2 2016	H1 2017	Half Yearly Change (%)	Annual Change (%)
Belfast City Council Area	£612	£608	£623	**£662**	6.3%	8.9%
Belfast City Centre	£741	£751	£727	**£773**	6.3%	2.9%
North Belfast	£476	£464	£468	**£494**	5.6%	6.5%
South Belfast	£718	£712	£741	**£777**	4.9%	9.1%
East Belfast	£556	£556	£565	**£584**	3.4%	5.0%
West Belfast	£538	£538	£544	**£542**	-0.4%	0.7%

4.3.1 Average Rent by Property Type

Average rental levels across the property types showed a degree of variation over the first half of 2017 (Table 9). Terrace/townhouse (8%) properties showed the strongest rate of rental growth, with apartment properties (7.6%) also experiencing a strong growth in average rental level over this time period. The figures show that detached properties remain the most expensive to rent (£1,033), with average rents showing moderate growth (3.8%) for this survey, albeit from a low base. In annual terms, the picture was broadly similar with apartment (7.6%), detached (10.6%) and terrace/townhouse (11.6%) properties showing a strong rate of growth and semi-detached (4.8%) properties recording more modest growth over the year.

Table 9: Average rent in Belfast City Council Area by property type

Property Type	BCCA H2 2015	BCCA H1 2016	BCCA H2 2016	BCCA H1 2017	Half Yearly Change (%)	Annual Change (%)
Apartment	£612	£609	£609	**£655**	7.6%	7.6%
Terrace/ Townhouse	£600	£578	£597	**£645**	8.0%	11.6%
Semi-Detached	£624	£646	£665	**£677**	1.8%	4.8%
Detached	£800	£934	£995	**£1,033**	3.8%	10.6%
ALL	**£612**	**£608**	**£623**	**£662**	**6.3%**	**8.9%**

4.3.2 Average Rent by Number of Bedrooms

Over the first half of 2017, a moderate rate of rental growth was observed across all bedroom categories, ranging from 2.3 per cent for four or more bedroom properties to 3.6% for one bedroom dwellings (Table 10). In terms of annual change, a stronger picture of rent growth is recorded across all bedroom categories, particularly four or more (6.5%) and two (5.3%) bedroom properties.

Table 10: Average rent in Belfast City Council Area by number of bedrooms

Number of Bedrooms	BCCA H2 2015	BCCA H1 2016	BCCA H2 2016	BCCA H1 2017	Half Yearly Change (%)	Annual Change (%)
1 bedroom	£468	£472	£473	**£490**	3.6%	3.8%
2 bedrooms	£540	£544	£559	**£573**	2.5%	5.3%
3 bedrooms	£621	£621	£637	**£652**	2.4%	5.0%
4/4+bedrooms	£898	£911	£948	**£970**	2.3%	6.5%
ALL	**£612**	**£608**	**£623**	**£662**	**6.3%**	**8.9%**

4.4 Wider Belfast Area Rent Guide

Table 11 summarises rents across the wider Belfast region and highlights the considerable variation in average monthly rents at postcode district level by number of bedrooms. For example, the average rent for a typical three bedroom property varies from £434 in BT13 to £938 in BT1.

Table 11: Average rent grid by postcode

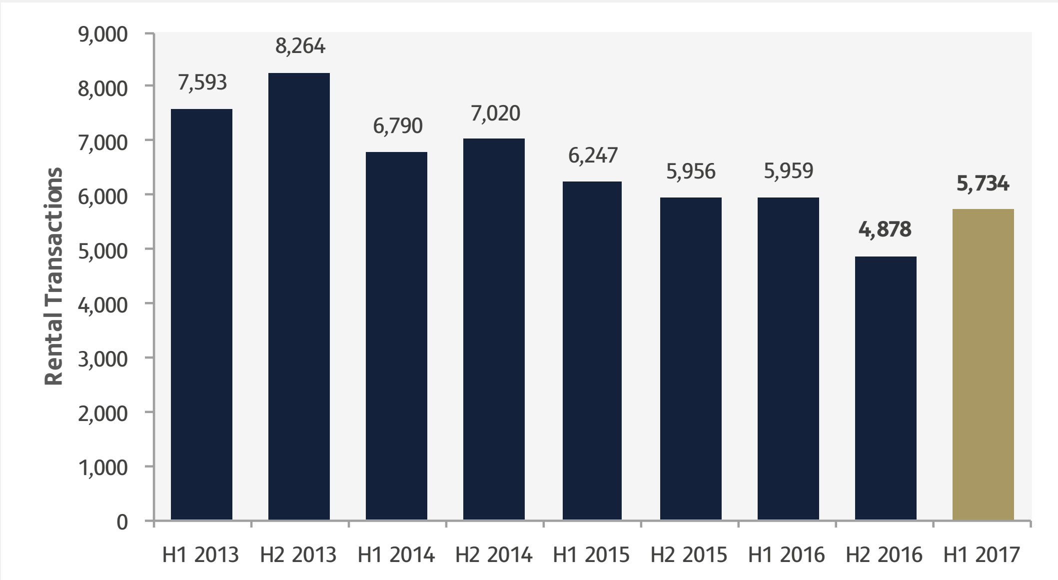
Poscode	1 Bed	2 Bed	3 Bed	4/4+ Bed	All
BT1	£647	£804	£938	-	£803
BT2	£662	£744	£906	-	£730
BT3	£682	£759	-	-	£760
BT4	£492	£558	£592	£1,057	£610
BT5	£432	£518	£619	£747	£552
BT6	£490	£544	£639	£770	£586
BT7	£469	£604	£723	£1,000	£778
BT8	£469	£575	£677	£839	£647
BT9	£503	£652	£785	£1,080	£783
BT10	-	£593	£719	£839	£666
BT11	£430	£576	£606	£643	£587
BT12	£476	£511	£523	£670	£527
BT13	£362	£427	£434	£533	£431
BT14	£410	£473	£499	£696	£509
BT15	£418	£499	£558	£730	£542
BT16	£451	£543	£641	£778	£601
BT17	£456	£531	£584	£713	£558
BT18	£491	£623	£809	£1,389	£789
BT19	£468	£588	£616	£905	£632
BT20	£425	£522	£638	£807	£583
BT23	£406	£507	£594	£953	£588
BT26	£525	£619	£668	£924	£720
BT27	£497	£520	£581	£852	£588
BT28	£417	£524	£578	£750	£583
BT36	£490	£513	£540	£811	£546
BT37	£394	£495	£498	£753	£509
BT38	£381	£474	£527	£723	£516

5.0 Rental Performance across the Local Government Districts[1]

5.1 Distribution of Properties Let by Local Government Districts

During the first half of 2017, **5,734** properties were let outside of the BCCA, accounting for approximately 60 per cent of all rental transactions in Northern Ireland, an increase from the previous survey (55%). Compared with the last months of 2016, rental transactions increased by 17.5 per cent, although this was down by 3.8 per cent over the year (Figure 6).

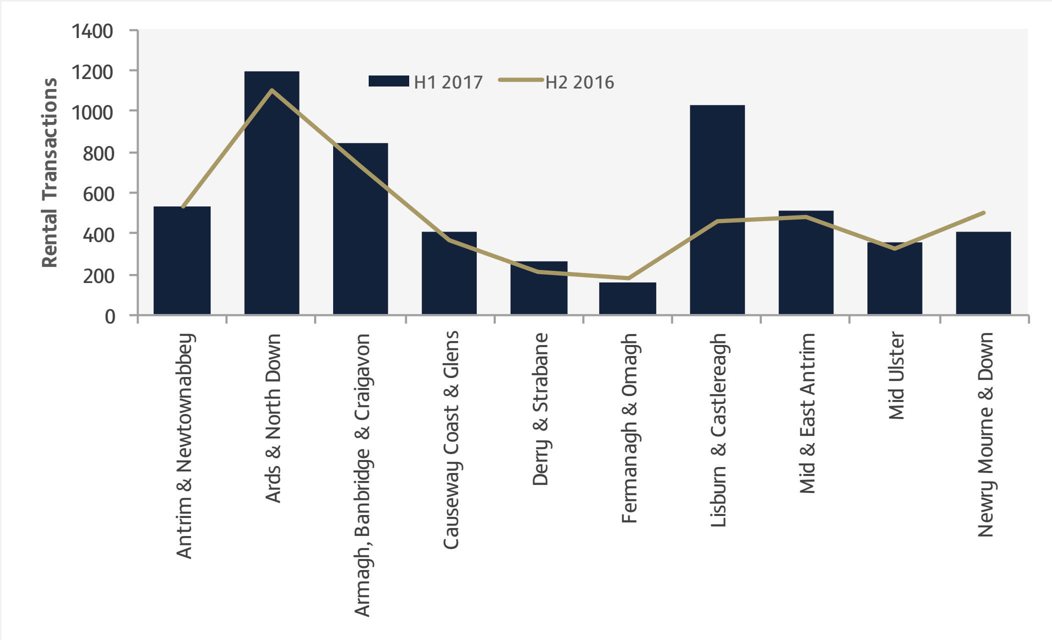
Figure 6: Number of properties let in Local Government Districts



The distribution of rental transactions (Figure 7) indicates that the Ards & North Down (1,199), Lisburn & Castlereagh (1,029) and Armagh, Banbridge and Craigavon (847) districts are the largest rental markets outside of Belfast. Collectively, these three district council areas account for over half (55%) of all rental transactions outside of Belfast. Consistent with previous surveys, there were lower volumes of rental transactions in the more rural areas of Fermanagh & Omagh (165), Derry and Strabane (265) and Mid Ulster (358).

[1] This section analyses all LGDs in Northern Ireland except Belfast LGD which is excluded.

Figure 7: Number of properties let in Local Government Districts H1 2017



Terrace/townhouse properties represented the largest proportion of rented properties, accounting for 33 per cent of the total rental activity, but with a slightly lower market share (Table 12). Apartments (27%) and semi-detached (23%) properties marginally increased their share of the market. The market share of detached dwellings remained the smallest, accounting for 17 per cent of all properties let. Over the half year, the picture is broadly one of sizable increases in lets across property types with semi-detached (21.5%) and detached (20.9%) properties recording significant increases in the number of lettings, followed closely by apartments (18.7%). Over the year, there is more stability in terms of the number of transactions. Across the apartment (-1.9%), detached (-0.8%) and semi-detached (0.5%) sectors there was relatively little change; however, the terrace/townhouse (9.3%) sector did show a notable reduction in letting volume.

Table 12: Properties let by property type

Property Type	H1 2016	H2 2016	H1 2017	Half Yearly Change (%)	Annual Change (%)
Apartment	1,553 (26%)	1,283 (26%)	**1,523 (27%)**	18.7%	-1.9%
Terrace/Townhouse	2,091 (35%)	1,687 (35%)	**1,897 (33%)**	12.4%	-9.3%
Semi-detached	1,308 (22%)	1,082 (22%)	**1,315 (23%)**	21.5%	0.5%
Detached	1,007 (17%)	826 (17%)	**999 (17%)**	20.9%	-0.8%
TOTAL	**5,959**	**4,878**	**5,734**	**17.5%**	**-3.8%**

Table 13 shows that four fifths (80%) of properties let outside BCCA during the first half of 2017 were either two or three bedroom properties. Consistent with the previous half year, three bedroom properties were the most common size, representing almost half (48%) of rented properties with an average rent of £554 per month, up on the previous survey (£543). Two bedroom properties represented the next most popular property size and accounted for almost one third (32%) of properties let, with an average rent of £501 per month, up slightly on the previous six months (£491).

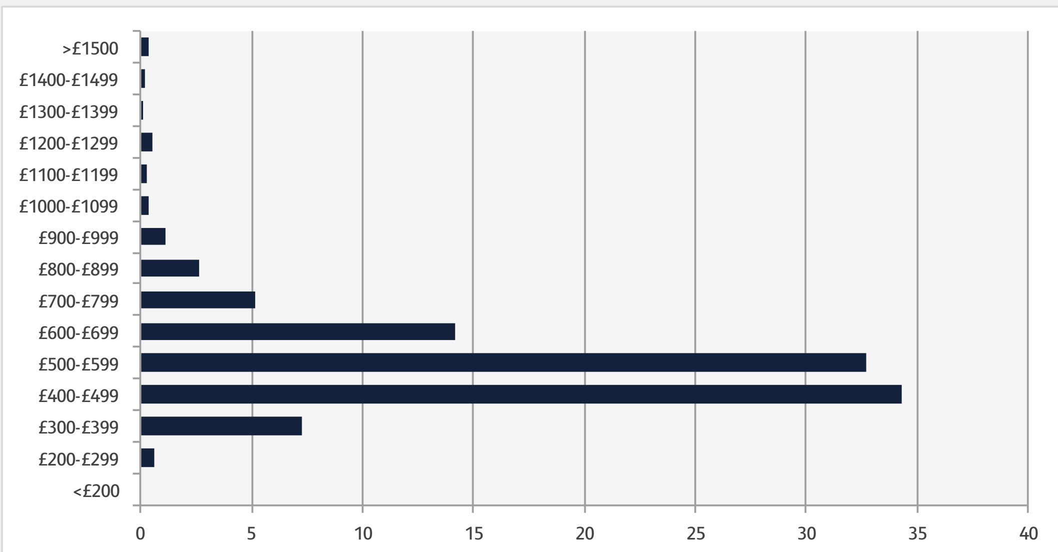
Table 13: Properties let by number of bedrooms

Number of Bedrooms	H1 2016	H2 2016	H1 2017	Half Yearly Change (%)	Annual Change (%)
1 bedroom	393 (7%)	319 (7%)	**395 (7%)**	23.8%	0.5%
2 bedroom	1,913 (32%)	1590 (33%)	**1850 (32%)**	16.4%	-3.3%
3 bedroom	2,846 (48%)	2339 (48%)	**2756 (48%)**	17.8%	-3.2%
4/4+ bedroom	807 (13%)	630 (13%)	**733 (13%)**	16.3%	-9.2%
TOTAL	**5,959**	**4,878**	**5,734**	**17.5%**	**-3.8%**

5.2 Distribution of Banded Monthly Rent across the Local Government Districts

Figure 8 shows that the majority of rental properties let in the first six months of 2017 were in the £400-£499 (34%) and £500-£599 (33%) rental bands. A further 14 per cent of transactions were let in the £600-£699 band, with 7 per cent of letting transactions in the £300-£399 category. The figures also show a clustering of rents, with almost three quarters (74%) of all rents falling between £300 and £599. For this survey, the percentage of properties rented below £500 stands at 42 per cent, higher than the Northern Ireland average (35%). The proportion of lettings rented for under £600 increased to 75 per cent, with 89 per cent of rents under £700, compared with 81 per cent for all of Northern Ireland. The figures further indicate that 94 per cent of rental transactions were under £800.

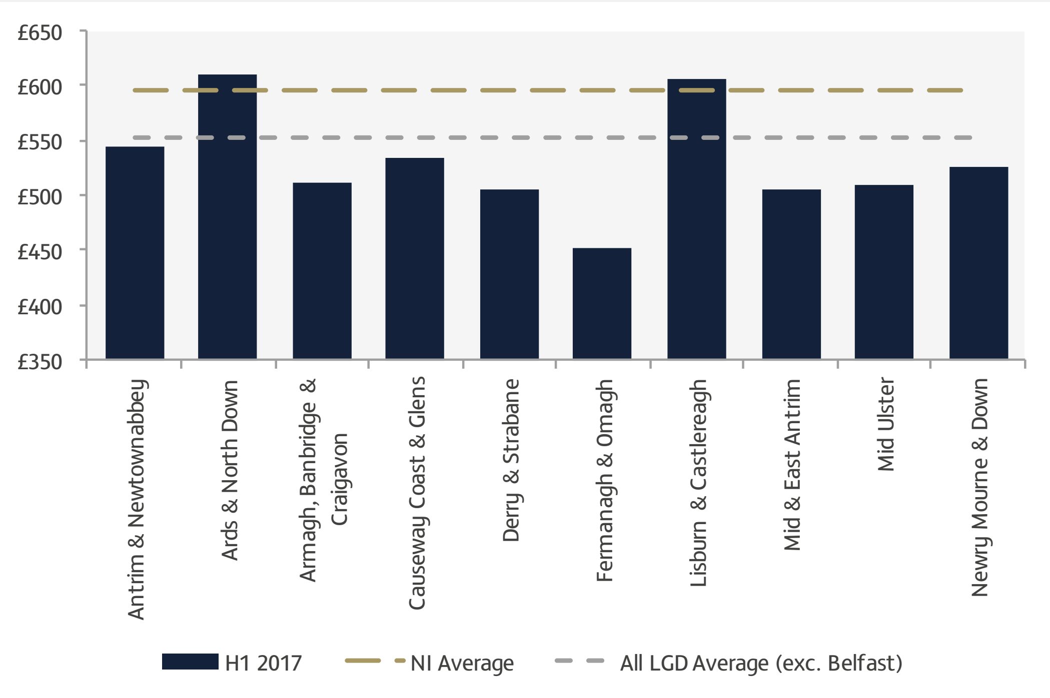
Figure 8: Distribution of banded monthly rents across Local Government Districts



5.3 Average Rent by Local Government District

The average rent for properties let outside the BCCA in the first half of 2017 was £552 per month, up by 1.7% on the previous six months and 4.3% over the year, but lagging behind the overall Northern Ireland average monthly rent of £595. In particular, as illustrated in Figure 9, average rents in rural council areas – notably in the west and north – were significantly below the Northern Ireland average. In contrast, council districts within the BMA, Ards & North Down (£609) and Lisburn & Castlereagh (£605) remained the most expensive council areas. The lowest average rents were in the Fermanagh & Omagh (£452), Mid & East Antrim (£505), Mid Ulster (£505) and Armagh, Banbridge & Craigavon (£511) council areas.

Figure 9: Average monthly rent by Local Government Districts



5.3.1 Average Rent by Property Type

Table 14 provides analysis by property type at district council level. The highest average rents for apartments were in the Lisburn & Castlereagh (£543) and Ards & North Down (£540) council areas, which both showed increased rental levels over the first half of 2017. The next highest rental level was in Antrim & Newtownabbey (£487) followed by Derry & Strabane (£474). The lowest average rents for this property type were in the districts of Fermanagh & Omagh (£415), Mid-Ulster (£426) and Causeway Coast & Glens (£451) although all recorded moderate increases in average rent over the period.

The highest average rents for terrace/townhouse properties were again in Ards & North Down (£547) and Lisburn & Castlereagh (£555), although both were down on the previous six months. The lowest average rents for terrace/townhouse properties were in Fermanagh & Omagh (£435), Armagh Banbridge & Craigavon (£470) and Mid & East Antrim (£472) although it should be noted that there is a narrow range of rents for this property type.

A similar trend was apparent for semi-detached properties, for which the range of average rents was relatively narrow. The highest priced districts were again found in the BMA, Lisburn & Castlereagh (£631) and Ards & North Down (£613), which were broadly consistent with the previous half year, with Derry & Strabane (£535) the highest rental location for this property type outside of the BMA.

For detached properties, the spread of average rent was generally much larger – ranging from £513 to £846. The highest average rent for this type of property was in Ards & North Down (£846), slightly down on the previous survey, whereas Fermanagh & Omagh (£513), Mid Ulster (£567) and Armagh Banbridge & Craigavon (£611) were the lowest priced regions.

Table 14: Average monthly rent across Local Government Districts by property type

Council District	Average Rent by Property Type (£)				
	Apartment	Terrace/ Townhouse	Semi Detached	Detached	All
Antrim & Newtownabbey	£487	£489	£563	£817	£544
Ards & North Down	£540	£547	£613	£846	£609
Armagh, Banbridge & Craigavon	£458	£470	£533	£611	£511
Causeway Coast & Glens	£451	£522	£531	£653	£534
Derry & Strabane	£474	£508	£535	£615	£505
Fermanagh & Omagh	£415	£435	£450	£513	£452
Lisburn & Castlereagh	£543	£555	£631	£762	£605
Mid & East Antrim	£468	£472	£529	£657	£505
Mid-Ulster	£426	£498	£514	£567	£509
Newry Mourne & Down	£452	£488	£525	£658	£525

5.3.2 Average Rent by Number of Bedrooms

There was a small sample base of one bedroom rental properties across the council areas (outside of Belfast), and consistent with previous surveys, there is a general clustering of rents in this category (Table 15). The highest average rents were again in Lisburn & Castlereagh (£448), Ards & North Down (£418) and Derry & Strabane (£424), while the lowest average rents were in more rural council areas including Fermanagh & Omagh (£322) and Causeway Coast & Glens (£353).

The average rents for two bedroom properties were between £432 and £546, with all locations observing rental growth in this category. Consistent with the last survey, the local authorities adjacent to Belfast – namely Lisburn & Castlereagh (£546) and Ards & North Down (£537) – have the highest average monthly rent. The lowest average rents for two bedroom properties were, again, in Fermanagh & Omagh (£432) and Armagh Banbridge & Craigavon (£455).

For three bedroom properties, the highest average rents were in the BMA council areas of Ards & North Down (£616) and Lisburn & Castlereagh (£614), followed by Newry Mourne & Down (£540), locations which are all characterised by slight increases in average rent. However, despite experiencing sizeable increases in average rental prices, Fermanagh & Omagh (£470) once again had the lowest average rent for three bedroom properties, followed by Armagh Banbridge & Craigavon (£515) and Mid & East Antrim (£516), although there is a narrow range of average rents in this category.

Finally, larger properties (four or more bedrooms) had a larger spread of average rents, ranging from £878 in Ards & North Down to £558 in Fermanagh and Omagh.

Table 15: Average monthly rent across Local Government Districts by number of bedrooms

Council District	Average Rent by Number of Bedrooms (£)				
	1	2	3	4/4+	All
Antrim & Newtownabbey	£413	£498	£530	£816	£544
Ards & North Down	£418	£537	£616	£878	£609
Armagh, Banbridge & Craigavon	£371	£455	£515	£647	£511
Causeway Coast & Glens	£353	£470	£536	£674	£534
Derry & Strabane	£424	£506	£534	£589	£505
Fermanagh & Omagh	£322	£432	£470	£558	£452
Lisburn & Castlereagh	£448	£546	£614	£817	£605
Mid & East Antrim	£394	£461	£516	£698	£505
Mid-Ulster	£381	£460	£519	£587	£509
Newry Mourne & Down	£382	£465	£540	£691	£525

6.0 Conclusion

This survey of the private rental market for the first half of 2017 suggests that the normally stable rental market has experienced some variable changes. First, the volume of transactions is up over the half year period but is lower than that for the first half of 2016. The Belfast City Council area in particular had a reduced number of lets, whereas the other council areas collectively showed an increase in the volume of transactions. Second, there has been some shift in the composition of the sample by property type, with a noticeable increase in the number of detached properties over the first half of 2017 and an accompanying increase in the number of 4/4+ bedroom properties. This half-year change was particularly apparent outside of Belfast, though in the city there was a significant increase in the number of 4/4plus bedroomed properties on the rental market. Third, in terms of average rents, a more consistent picture is apparent with both half-yearly and annual rental growth apparent, up by 2.8% and 5.3% respectively at the Northern Ireland level. Even higher levels of rental growth are reported for Belfast, up by 6.2% and 8.9% respectively, which may reflect the shift in size and type of the rental stock reported upon.

Endnote

[i] Rent statistics in PropertyNews.com are generally inclusive of rates. To ensure rent datasets are comparable, NIHE rent statistics for Housing Benefit in the PRS need to be adjusted upward to ensure consistency in average rents across the sample. Following wide and detailed analysis of the council areas, rates poundage and the range of adjustment required for each property type across the LGD areas, the research identified the median percentage adjustment for the NIHE datasets to be as follows: Apartments 11%; Detached 17%; Semi-Detached 13%; and Terrace 13%. It was observed that there was only slight variance in the range across the LGD areas and therefore the percentage uplift could be applied uniformly to the dataset across all LGD areas.