

Northern Ireland Quarterly House Price Index

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Executive



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Introduction

This survey analyses the performance of the Northern Ireland housing market during the third quarter of 2023 (July, August and September). The report details the key trends and spatial patterns in the housing market, drawing comparisons with quarter three of 2022 as a measure of annual change and with quarter two of 2023 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.

This report is premised upon 3,072 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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Defying Expectations

The evidence presented in this report indicates that the dynamics of the local housing market again remained relatively – and perhaps surprisingly – steady during the third quarter of 2023. The sample of just over 3,000 transactions was the highest since early summer 2022 and, at £205,545, the average price was very much in line with the figures generated by this research over the last seven quarterly reports.

Our commentary on the previous (Q2) report noted that each passing quarter brings its own changes in context, and this is true both of the third quarter and at the time of writing, in Q4. Looking ahead to Q3, agents had noted a reduced level of new listings and buyer enquiries but, in the event, this did not appear to translate into a reduction in market activity, at least as reflected by this survey. This edition of the report provides very useful analysis of some of the factors that may have influenced buyer and seller behaviour in the period from June to August, including the interest rate environment and trends in the mortgage market.

After two increases during both the first and second quarters of the year and a further rise in August, the Bank of England Monetary Policy Committee's most recent (November) decision not to raise the base rate any further was relatively welcome news for borrowers. While the base rate remains at a 15-year high and more than two percentage points above the rate a year ago, early commentary on the announcement suggested that it might lead to a slight improvement in fixed mortgage rates.

Less welcome was the Governor's press conference commentary that the Committee has not discussed the prospect of cutting interest rates, as well as, arguably, the continued emphasis on reducing inflation to the 2% target. While there has been some progress on this objective, future projected falls in inflation are predicated on easing of food and fuel prices, which are closely linked and highly susceptible to geo-political uncertainty and shocks.

As 2023 draws to a close, in what is traditionally expected to be a quieter period of the year for the housing market, the situation remains challenging for prospective buyers and sellers, who are weighing up personal circumstances, as well as borrowing costs and affordability, in both the short and longer term. The wider suite of research carried out by Ulster University for the Housing Executive provides useful insights, in this context.

- Over the last decade or so, as the housing market recovered from the effects of the global financial crisis and prices have steadily risen, the proportion of properties transacting at lower price levels (up to £150,000) has gradually decreased, from just under three quarters (73%) in Q1, 2014, to a steady 37-38% over the last seven quarterly reporting periods. In practical terms, the pool of properties accessible to an average first time buyer – the foundation layer of a healthy and sustainable housing market – has diminished substantially. Furthermore, in a context of rising living costs and interest rates and despite some income growth, most prospective first time buyers have fewer disposable resources and face increased housing costs.
- Related to this, for those living in the private rented sector – another key component of the overall housing market – average rents continue to increase. The latest rental report produced by Ulster University for the Housing Executive indicated that the average monthly rent for a property in Northern Ireland had increased by 5% by over the first half of 2023, to £817. The picture provided by estate agents was of an extremely busy market, with rent inflation driven by a combination of insufficient supply and increased landlord costs. As housing and basic living costs consume a greater proportion of net income, households living in the private rented sector may increasingly struggle to meet their current housing costs, let alone save for the sizeable deposit that might make home ownership relatively affordable.

In the owner occupied/residential property market, it seems likely that prices may remain consistent despite any slowing in the level of transactions during the final quarter of the year. More broadly, however, there is a growing sense of pressure and structural difficulty in the local housing system, as households struggle to find, and sustain, suitable, affordable accommodation to meet their needs, irrespective of tenure.

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Foreword from Progressive Building Society

The Northern Ireland housing market once again edged higher in the third quarter of the year on the back of signs of a pause in recent interest rate hikes by the central bank and continued tight supply. The price rises indicate the Northern Ireland market is driven by its own set of circumstances and continues to shrug off a wider malaise across other regions of the UK. However, despite its relatively strong showing, there remain headwinds in the form of the threat of further interest rate rises in the future, lethargic economic growth and a slowing job market.

The House Price Index showed average Northern Ireland house prices climbed by 0.59% in the third quarter of 2023 when compared to the previous quarter to £205,545, falling 0.82% on an annual basis. Evidence of a continued drop in new supply coming to the market emerged in the fact 83% of agents reported a slowdown in transaction volumes and associated market activity relative to the previous quarter

Regional Outlook

Regional supply and demand balances are once again reflected in the price activity across each local government district in Northern Ireland. A total of eight out of the 11 districts saw price increases in the second quarter compared to the first quarter of 2023, with Lisburn and Castlereagh seeing the largest price increase of 6.2%, closely followed by Mid Ulster which climbed 3.4% and Newry Mourne and Down where prices climbed 3.1%. Other regions to report gains were Ards & North Down (2.8%), Belfast (2.3%), Armagh, Banbridge and Craigavon (2.2%) and Antrim & Newtownabbey (1.7%). Conversely, three districts saw substantial price slides, including Derry & Strabane (-11.8%), Causeway Coast and Glens (-12.0%) and Fermanagh and Omagh (-12.1%).

Summary

The marginally positive performance of the Northern Ireland housing market in the third quarter of 2023 reflects strong underlying fundamentals and a more benign outlook for interest rates. Sentiment has improved across the UK housing market in recent weeks as a result of the Bank of England's decision to halt its recent run of interest rate hikes, helping to underpin prices and pique buyer interest. However, the positivity prompted by that factor has not prevented average prices from falling in other regions of the UK and it is only in Northern Ireland where the market has remained – just – in positive territory.

There is little doubt that such an outlier performance is down to the lack of new supply coming on to the market, either new stock or houses for resale. That situation is reflected in the reduction in the number of transactions reported by agents in the most recent quarter. With little sign of more stock emerging anytime soon, it would appear the situation won't ease anytime soon. However, Northern Ireland is not immune to the wider malaise in the UK housing market. The potential for further interest rate rises remain, with the Bank of England maintaining its focus on bringing the main rate of borrowing back to 2%. Coupled with that is still weak economic growth and the first signs of weakness in the jobs market. The future direction of Northern Ireland's housing market looks set to continue to be driven by both macros and domestic factors, with buyers balancing a cautious approach with pent up demand.

Progressive Building Society has a long history of working with homeowners to charter a path through the more volatile environment which currently exists, with products to fit the majority of borrower needs and the ability to flex to service more complex projects. Our team are equipped with deep knowledge of the complexities of the housing market and can be trusted to help make one of the most important life purchases a reality.

Michael Boyd

Chief Executive, Progressive Building Society



General Market Trends

The main findings of this survey indicate that the housing market continues to defy expectations and hold firm, recording a small price increase in the third quarter of 2023. The findings indicate that whilst price levels remain stable, there are signs of slowing activity - particularly a reduction in new listings and buyer enquiries – primarily due to the uncertain interest and mortgage interest rate environments. The House Price Index this quarter shows that the average price of properties transacting during Q3, 2023 was £205,545, an increase of 2.4% by comparison with the second quarter of 2023 and an annual weighted price increase of 4.7% in comparison to Q3 2022.

The first quarter of 2023 revealed a cooling housing market, albeit one that remained stable in terms of its pricing levels. Positive signs emerged over the course of Q2 2023, with inflation statistics falling below projected forecasts in June, and the subsequent freeze on interest rate increases by the Bank of England (BoE); the first time since 16th December 2021, after 15 consecutive rises. However, the latest figures published by the ONS in August, which showed that the UK economy grew by 0.2%, and the continued resilience of GDP and strong wage growth, suggest that interest rates may see a further climb; indeed, there are expectations that they will not begin to fall until the end of 2024. It is likely that any volatility or stubbornness with inflation targets will see the Monetary Policy Committee's aggressive approach to interest rate hikes maintained.

Our previous report noted that a sizeable number of borrowers were due to be remortgaging throughout 2023, posing a significant test for the housing market. The ongoing turbulent market setting has continued to see mainstream lenders reprice their mortgage products in line with the ongoing battle between interest and inflationary movements. Despite this, some positive signs have emerged over the course of the latest quarter. A number of mainstream lenders have cut their average fixed mortgage rates by up to 0.45 percentage points, bringing some rates to below five per cent, after the sizable rate hikes observed during the first half of the year. However, it must be noted that a number of these deals require higher loan-to-value ratios of approximately 40 per cent – traditionally beyond the financial capacity of most home movers and especially first time buyers (FTBs).

There is mounting evidence that market sentiment has shifted for potential purchasers and home movers as they continue to deliberate whether to choose a tracker mortgage or refinance on a fixed term deal. Tracker rate deals have seen a rise in popularity: the small percentage point margins over the BoE base rate are appearing more attractive, with potential movers and buyers gambling that interest rates have reached their peak and will begin to decline, ultimately providing cheaper borrowing than being tied into higher fixed rate mortgage terms. There is also evidence that borrowers are opting for shorter term fixed rate deals despite them carrying higher rates than longer term fixed rates; assuming that inflation eases and interest rates fall, they are reluctant to be 'locked-in' to higher rates for long periods, and hope to avail of a better deal sooner, when interest rates have settled. There remain signs that some potential buyers continue to play a waiting game to see if prices continue 'holding' in spite of the ongoing economic environment and whether they can get a cheaper deal if they ride out the current storm.

Against this choppy economic backdrop, the housing market in Q3 2023 continued to remain resilient, showing a small increase in average price over the quarter. Arguably, this is attributable to the ongoing lack of supply and product entering the market. However, there is some caution surrounding future price movements: with interest rates projected to rise, the economy looking like it is 'flatlining', and the job market slowing down – with unemployment rates sitting at 4.2 per cent between June and August – it appears that the monetary policy actions are starting to filter through and bite the market.

Agent commentary Q3 2023

Evidence pointing towards a marked slowdown in housing market activity is now apparent across Northern Ireland. Reflecting on the position at the end of Q3, the overwhelming majority of agents (83%) contributing to this survey said they had begun to experience a slowdown in transactions and associated market activity relative to the previous quarter. Buyer enquiries have also contracted significantly with 72% of agents surveyed reporting a decline in the volume of new buyer enquiries in this quarter relative to the previous three months. The shift in sentiment amongst prospective buyers comes as the market continues to adjust to the heightened interest rate environment, which has impacted affordability. Access to the mortgage market has become more problematic for prospective buyers with heightened stress testing and lender due diligence serving to constrain borrowing capacity. While the implications transcend pricing bands the impact has been most acute for properties in the higher price bands.

The volume of new listings coming to the market portrays a more mixed series of results: 56% of agents indicated that there had been a decline in new listings, while 33% said they had remained consistent and 11% of agents contributing to the study reported an increase in new listings relative to the previous quarter. The findings affirm the sentiment shift amongst both prospective buyers and sellers amidst the continued financial and economic uncertainty. Significantly, sales volumes over the quarter have remained strong, with 61% of agents surveyed reporting sale levels on a par with the previous quarter. Notably, however, many of the sales were completed in the first six weeks of the quarter; with agents seeing this dash to get deals done as purchasers tried to get the cheapest mortgage deal. Going forward it is very likely that sales volumes will be adversely impacted by the decline in new buyer enquiries.

In terms of the pricing structure, the market has remained more resilient than expected over the course of Q3 2023. Lack of supply remains the key factor underpinning price resilience, with agents citing numerous examples of properties continuing to achieve in excess of the asking price over the course of the quarter. While market fundamentals are clearly transitioning quarter-on-quarter, the lack of available quality housing in high demand areas has been a persistent characteristic of the market for more than two years. As an addendum to the supply side challenges, a number of agents commented that recent negative media coverage on the housing market had exacerbated supply side constraints by prompting many vendors to 'hold off' coming to market amidst the prevailing financial and economic uncertainty.

The majority of agents (56%) agreed that confidence in the market on both the seller and buyer side had diminished over the course of the quarter. That shift in sentiment is borne out in the transaction figures, with 83% of agents reporting a decline in transaction volumes relative to Q2. Looking forward, the majority of agents (78%) do not anticipate any significant adjustment to house prices over the course of the next quarter. The final quarter of the year tends to be traditionally slower in terms of market activity while the lack of supply is likely to maintain price resilience.

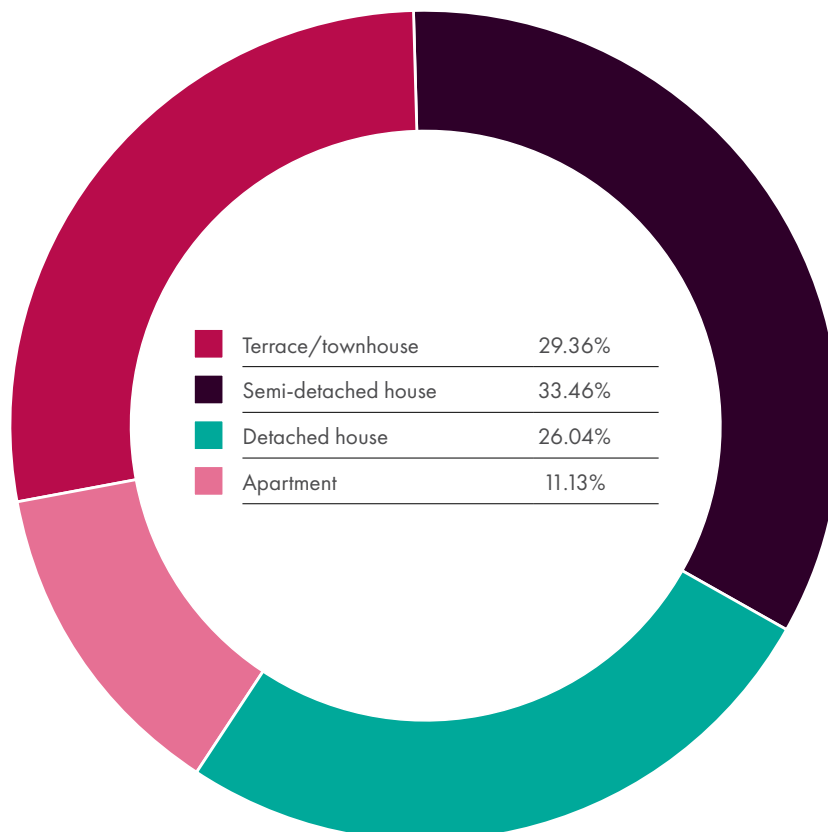
Sample distribution

The previous survey (Q2, 2023) recorded that consumer activity had remained stable and that the volatility within the economy and lending sector had not severely impacted on sales transactions within the market, but that there was a subtle reduction in transactions within the medium to higher pricing bracket of the market. This quarter, the sales evidence remains similar. The proportion of lower priced properties (below £100,000) within the sample equated to 13%, the same as the second quarter of the year. Properties sold at or below £150,000 accounted for 38% of transactions, a one percentage point increase from the previous quarter. In the low-to-middle price brackets, 63% of transactions were at or below £200,000, representing a one percentage point decrease on Q2 2023. In the middle-to-upper pricing levels of the market, at 78%, the proportion of properties sold at or below £250,000 remained similar to Q2 2023.

Transactions below £300,000 accounted for 87% of the sample, a decrease of one percentage point from Q2 2023, with transactions beyond £300,000 accounting for 13% of sales within the sample. The transactional evidence within this quarter's sample indicates that consumer activity within the pricing points remains on a par with quarter two levels.

The sample representation by property type this quarter remains indicative of the wider housing market stock profile¹ and in line with previous editions of the report. Semi-detached houses continue to be the most common property type in the sample, representing 33% of all transactions (n=1,028), in line with the first half of the year. Terraced/townhouses account for 29% of the sample, an increase of two percentage points from the previous quarter (n=902), and detached houses comprised 26% of all sales (n=800), reflective of a one percentage point decrease relative to Q2 2023. The apartment sector continued to account for the smallest share of the market and showed a decrease of one percentage point, down to 11% from Q2 2023 (n=342). The proportion of new build properties displayed a further small increase to 13% (n=386), up two percentage points from Q2 2023. In line with the first half of the year figures, and despite the marginal increase in new build transactions, this remains below the long-term average of 22% seen since 2016. The average price of the new build properties transacting this quarter was £254,235, reflecting a further 0.8% increase from the previous survey.

Market Share by Type of Property



¹Statistics 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 shows mixed price movements across the market sectors as the market continues to adjust to the wider economic climate and financial setting. In terms of quarterly price change, all but the semi-detached sector showed price increases. At the overall level, a quarterly increase of 0.6% within the market during the third quarter of 2023 is evident. Annually, the price changes are more varied with the terrace/townhouse segment of the market revealing a price decline whereas the detached, semi-detached and apartment sectors displayed increases, albeit varied. Overall, the annual rate of price change – which had been slowing over the course of 2023, exhibits an unweighted decline of 0.8% compared to Q3 2022.

In terms of simple percentage changes, the analysis provides a snapshot that enables comparison of the current average price with the corresponding statistics for Q3 2022 (annual change) and Q2 2023 (quarterly change). In annual terms, the average price statistics exhibit a marginal decrease of 0.8% compared with Q3 2022 levels. Where quarterly change is concerned, the average price increased by 0.6% between Q2 2023 and this quarter (Q3 2023).

The previous surveys for the first half of 2023 revealed differential price movements across the market segments in the context of the ongoing cost-of-living crisis and interest rate environment. Whilst the previous surveys had recorded small declines within the detached sector, this quarter – similar to the second quarter of the year – witnessed positive price change of 2.0%. The semi-detached sector displayed slightly higher growth of 4.1% in contrast to the previous quarter where it observed price decline of 0.9% - again highlighting the uneven price changes due to the market trying to find its equilibrium price point. Whilst the terrace/townhouse sector observed positive price change in Q2 2023 of 2.9%, this quarter

it saw a decline of 2.1%, bringing it back in parity with prices at the beginning of 2023. The apartment sector was the only market segment to record a quarterly price decrease, although this was nominal (0.4%).

The overall average price in the terrace/townhouse sector stands at £137,272 (n=902), with traditional private-sector built terrace dwellings averaging £125,922 (n=722) and townhouses £182,802 (n=180). However, the average price of public sector-built terrace dwellings sold during the quarter remained substantially lower (£112,395; n=271). The average price of properties transacting in the semi-detached sector was £195,228 (n=1,028), with private-built dwellings displaying an average of £199,959 (n=948), compared with an average of £139,175 (n=80) for public-built resale semi-detached housing. The overall average price of detached housing was £299,400 (n=800). For apartments, the average price in the market was £158,172 (n=342), with differences evident between the average price of private-built apartments £166,700 (n=305) and those originally built within the public sector (£87,878; n=37).

Average price by property type (unweighted % change)

Property Type	Annual % change	Quarterly % change	Average Price Q2 - 2023 (£)	Average Price Q3 - 2023 (£)
Terrace/townhouse	-2.1%	1.2%	135,682	137,272
Semi-detached house	4.1%	3.3%	189,039	195,228
Detached house	2.0%	3.1%	290,340	299,400
Apartment	5.5%	-0.4%	158,821	158,173
N. Ireland	-0.8%	0.6%	204,331	205,545

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 across the LGDs remained varied, displaying nominal price increases and decreases relative to the second quarter of 2023, 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 defined market areas.

Local Government Districts

In line with previous surveys, the geographic variation in average house price change across the LGDs remains spatially uneven and characteristic of local market demand and supply imbalances, as well as the nature of the housing stock within and coming onto the market. When considering the price change statistics this quarter in comparison with Q2 2023, there remain some uneven price changes across the Local Government Districts on a quarterly change basis, amplified by the stock transacting in the resale and new build markets.

Eight out of the eleven LGD market areas exhibited price increases over the quarter, with the largest in the Lisburn and Castlereagh LGD (6.2%). Most of the LGDs observed more modest and concomitant price growth, ranging between 3.4% in the Mid Ulster LGD to 1.7% in Antrim and Newtownabbey LGD, with Mid and East Antrim revealing no price growth and price statistics in line with quarter two of the year. The Derry City and Strabane, Causeway Coast and Glens and Fermanagh

and Omagh LGDs all witnessed price declines of 12%. This arguably reflected the stock transacting within the market areas and serves to further highlight the uneven price movements quarter-on-quarter, with Derry City and Strabane, for example, observing price increases in the previous quarter of 9.6% - demonstrating price parity over the year.

Further examining the transactional evidence shows that the price declines in the three market areas appear to be a reflection of the increased bulk of transactions within the semi-detached segment of the market. For example, the transactional evidence within the Fermanagh and Omagh LGD indicated that in Q2 2023 half the sales were in the detached segment of the market. This quarter, sales within the detached sector represented 37%, whereas transactions within the semi-detached sector constituted 49%. Similarly, in the Derry City and Strabane LGD there was more activity in the terrace and semi-detached sectors relative to the previous quarter, during which there was a higher representation within the detached and semi-detached segments of the market.

Average price by Local Government District

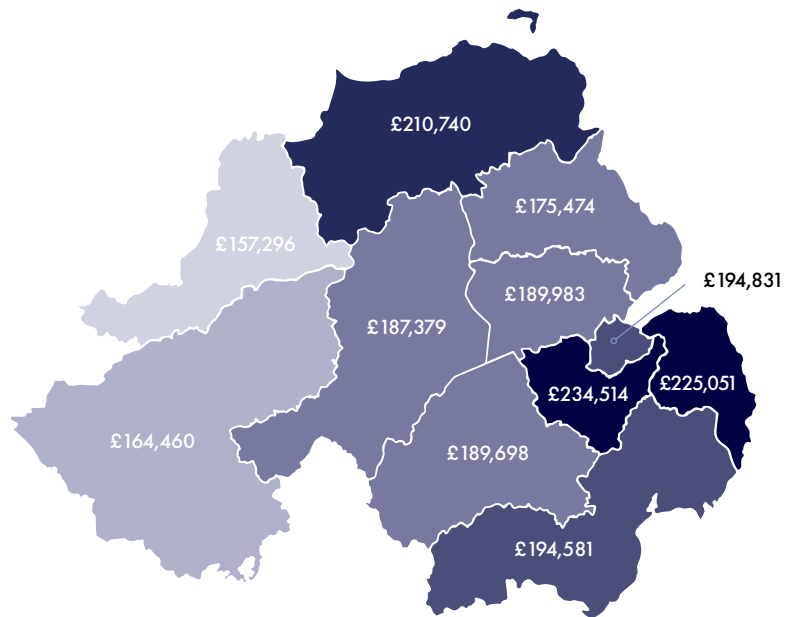
Local Government District	Average Price Q2 - 2023 (£)	Average Price Q3 - 2023 (£)	% change Q2-Q3
Antrim & Newtownabbey	187,661	190,811	1.7%
Ards & North Down	224,748	231,201	2.9%
Armagh City, Banbridge & Craigavon	185,746	189,831	2.2%
Belfast	185,920	190,115	2.3%
Causeway Coast & Glens	243,560	214,278	-12.0%
Derry City & Strabane	175,545	154,525	-12.0%
Fermanagh & Omagh	196,265	172,522	-12.1%
Lisburn & Castlereagh	223,711	237,472	6.2%
Mid & East Antrim	178,025	178,040	0.0%
Mid Ulster	187,440	193,819	3.4%
Newry Mourne & Down	215,526	222,092	3.1%

As noted, 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)² 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 market areas. In line with the previous survey, which recorded that CoV statistics reduced generally across the market geographies – illustrating an overall decrease in the variability of the price of stock transacting within some of the market areas - this trend continued into Q3 2023, showing a decline ranging between 58% (Belfast) and 29% (Fermanagh and Omagh). As also observed the previous quarter, the Fermanagh and Omagh market, which again recorded the lowest CoV statistic, also showed the greatest price decline; a consequence of the shift in transactions within particular segments of the market.

² 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.

Average price by Local Government District

LGD Average House Price Q3 2023	
	£157,296 - £160,000
	£160,001 - £175,000
	£175,001 - £190,000
	£190,001 - £205,000
	£205,001 - £220,000
	£220,001 - £234,514



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 system³, as well as a number of more localised HMAs and sub-areas that function within and across the Belfast Metropolitan HMA⁴.

Functional Housing Market Areas (HMAs)

The Housing Market Areas defined for the Housing Executive witnessed differing degrees of price change, again driven by the nature of the stock transacting within particular market sectors.

In terms of house price change, seven out of the eleven HMAs observed increases at varying levels ranging between 0.8% and 6.5%. The largest quarterly rate of price increase was observed in the Cookstown HMA, followed by the Derry HMA and Craigavon Urban Area HMA which both recorded increases of 5.7%. The largest price declines were once again observed in the Strabane HMA (9.0%) and Causeway Coast HMA (8.5%) for the second consecutive quarter, followed by and the Newry HMA (6.6%) and more modest price change declines observed in Fermanagh and Omagh HMAs.

Functional Housing Market Areas

Housing Market Area	Average Price Q2 - 2023 (£)	Average Price Q3 - 2023 (£)	% change Q2-Q3
Ballymena HMA	176,903	178,287	0.8%
Belfast Metropolitan HMA	200,718	206,438	2.9%
Causeway Coast HMA	230,327	210,740	-8.5%
Cookstown HMA	187,098	199,335	6.5%
Craigavon Urban Area HMA	179,467	189,698	5.7%
Derry HMA	153,485	162,288	5.7%
Dungannon HMA	139,297	143,098	2.7%
Fermanagh HMA	177,098	173,357	-2.1%
Newry HMA	189,843	177,396	-6.6%
Omagh HMA	154,398	158,231	2.5%
Strabane HMA	139,335	126,859	-9.0%

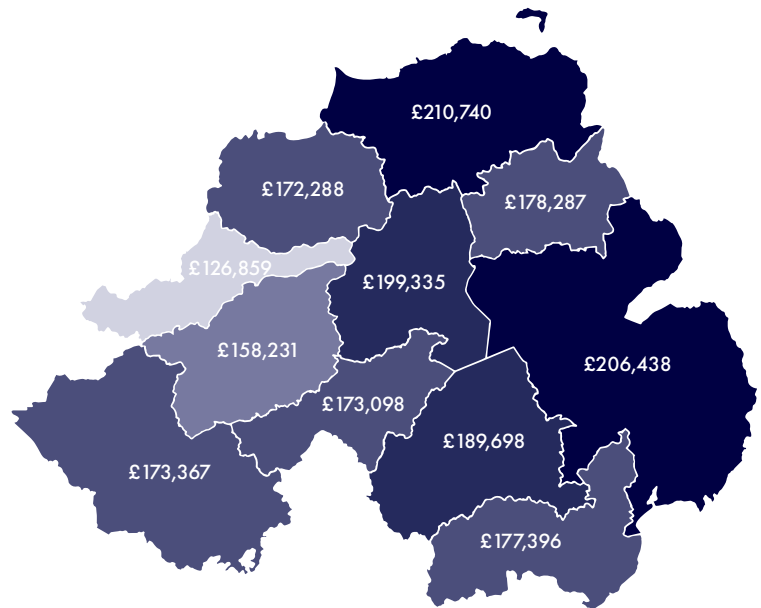
* note this is based on a small sample (<60 obs) and may not be fully representative.

³ The research identified eleven broad housing market areas within Northern Ireland. See: <https://www.nihe.gov.uk/getmedia/4ae016fe-6702-4080-983e-dac39738b342/Mapping-Northern-Ireland-Housing-Market-Areas.pdf.aspx?ext=.pdf>

⁴ 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).

Average house prices by Functional Housing Market Areas

NIHE HMA Average Price Q3 2023	
	£126,859 - £140,000
	£140,001 - £155,000
	£155,001 - £170,000
	£170,001 - £185,000
	£185,001 - £200,000
	£200,001 - £210,740



At the more localised geographies within the Belfast Metropolitan Housing Market Area, the Core and Central and Greater Belfast local HMAs observed small price increases of 1.4%, 2.9% and 2.5% respectively, bringing average prices to £211,347 and £206,437 and £206,676 respectively for the third quarter of the year. Across the other peripheral

local market geographies, price variation was more notable. Both Antrim and East Antrim HMAs observed price declines of 1.8% and 3.4%. In contrast, the more populated market areas of Ards and Down and Lisburn local HMAs recorded positive price changes of 0.9% and 7.6%, bringing average prices to £211,280 and £236,926.

Belfast Metropolitan Area Local HMAs

Housing Market Area	Average Price Q2 - 2023 (£)	Average Price Q3 - 2023 (£)	% change Q2 - Q3
Antrim Local HMA	186,246	182,946	-1.8%
Core Belfast Local HMA	208,404	211,347	1.4%
Greater Belfast Local HMA	200,718	206,437	2.9%
Central Belfast Local HMA	201,701	206,676	2.5%
Lisburn Local HMA	220,207	236,926	7.6%
Ards & Down local HMA	209,385	211,280	0.9%
East Antrim HMA	186,580	180,268	-3.4%

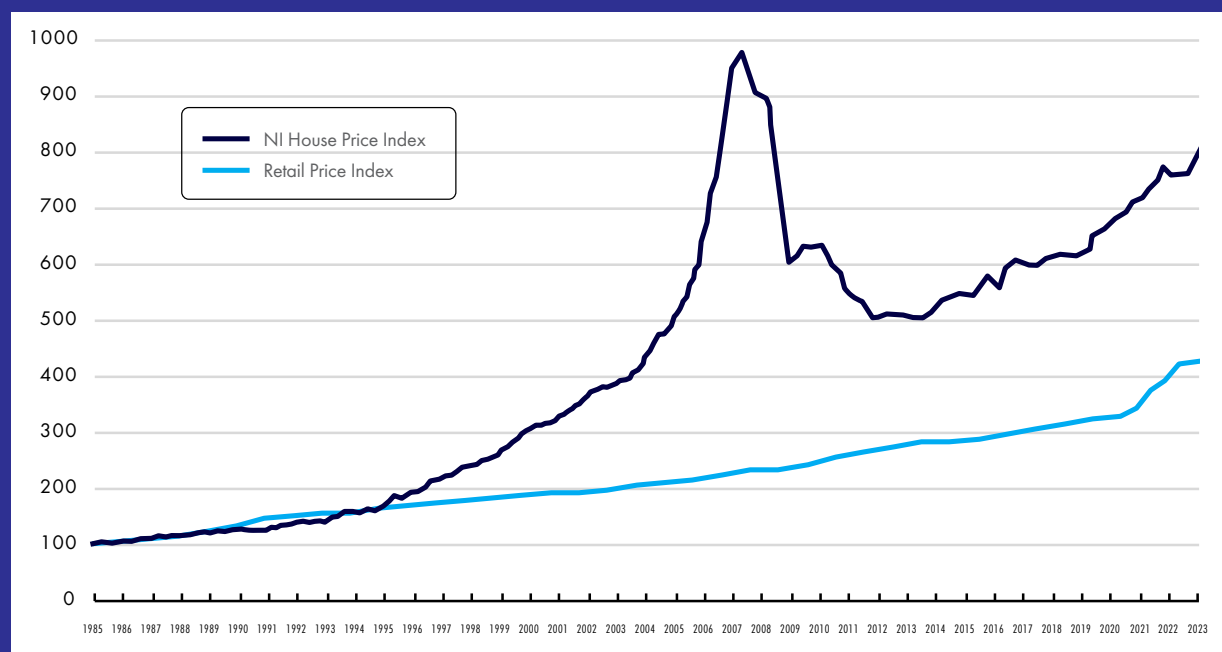


The House Price Index

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 777.49 in Q3 2023, is up 21 basis points relative to Q2 2023. This increase in the quarterly values reflects the ongoing and varied movements within the various sectors of the market, particularly the detached and semi-detached sectors which have displayed approximate price growth of 3% over the quarter, despite the ongoing economic backdrop.

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 across 2021 and into 2022 continued to exhibit strong demand signals, which translated into sales and price growth across all segments of the market and nine consecutive quarters of growth. With the onset of the cost of living crisis at the beginning of 2022, and the large interest rate and mortgage interest rate hikes, the housing market began to slow down during 2022, with a deterioration in house price growth and market activity. This cooling of housing market activity was associated with a declining rate of price growth across 2022 and, for the first time since COVID-19, there was negative price growth in the first quarter of 2023. The second quarter of 2023, however, observed small but positive price growth, which saw house prices remain in parity within the first half of the year. This quarter has seen a further increase in prices, which has meant that the market continues to remain somewhat resilient to the wider macro-economic and prudential movements.



Performance of the Private Rental Market in Northern Ireland (H1, 2023): [Performance of the Private Rental Market in Northern Ireland, H1 2023 \(nihe.gov.uk\)](https://www.nihe.gov.uk/performance-of-the-private-rental-market-in-northern-ireland-h1-2023)

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 AMPM Properties
 Armoy Homes Property Services
 Armstrong Gordon
 Best Property Services
 Bill McCann Estate Agency
 Bill McKelvey Estate Agents
 Blair & Boyd
 Bradley NI
 Brian A. Todd & Co.
 Brian O'Hare Estate Agents
 Brian Wilson Estate Agents
 Brice & Co. Estate Agents
 Burns & Co.
 Colin Graham Residential
 Cookstown Property Services
 Corry & Stewart Ltd
 Country Estates
 Cowley Property
 CPS Property
 Curran Associates
 Dallas Real Estate
 D A McLernon Estate Agents
 Daniel McGeown Estate Agents
 Donnybrook Estate Agents
 Dougan Property
 Eadie McFarland & Co.
 Eddie O'Connor Estate Agents
 Eoin Lawless Estate Agent
 Falloon Estate Agents
 Frank A McCaughan & Son
 Fred Dalzell & Partners
 Gerry O'Connor Estate Agent
 HA McIlwrath & Sons Ltd
 Hampton Estates
 Hanna Hillen Estates
 Harry Clarke & Co.
 Harte & McGarrigle Ltd
 Homes Independent
 HR Douglas & Sons
 Hunter Campbell
 J. A. McClelland & Sons
 James Wilson & Son
 JG Fleming
 John Grant Limited
 John McQuoid & Sons
 John Minnis Estate Agents & Property Consultants
 John V Arthur Estate Agents
 Jones Estate Agents
 Joyce Clarke Estate Agents
 Kieran Taggart Estate Agency
 Lindsay Fyfe & Co.
 Lindsay Shanks Kerr Group Estate Agents

Maneely & Co.
 Mannelly & Co. Ltd
 Mark McAlpine & Co.
 Martin & Dunlop
 McAfee Properties & Mortgages
 McCleary's
 McClelland Salter
 McDonagh Property Consultants & Chartered Surveyors
 MacFarlane & Smyth
 McGlone McCabe
 McMillan Estate Agents
 Michael Chandler Estate Agents
 Michael Hannath Property Consultancy & Estates Agents
 Mid Ulster Properties
 Montgomery Finlay & Co.
 Morris Estate Agents
 Mortgage/Property Sales & Rentals Ltd
 Neill Estate Agents
 Norman Devlin Property Consultants & Surveyors
 Norman Morrow & Co.
 Oakland Estate Agents
 O'Reilly Property Services
 Paul O'Keefe Estate Agents
 Peter Rogers Estate Agents
 Philip Tweedie And Company
 Pinkertons
 Pinpoint Property
 PJ Bradley Property Services
 PJ McIlroy & Son
 Pollock Estate Agents
 Premier Properties
 RA Noble & Co. Auctioneers & Estate Agents
 Rainey & Gregg Property & Mortgage Centre
 R Benson & Son
 Reeds Rains
 Robert Ferris Estate Agents
 Robert Wilson Estate Agency Group
 Robert Quigley Estate Agents
 Rodgers & Browne
 Sawyer & Co.
 Shanks & Company Estate Agents
 Simon Brien Residential
 Smyth Leslie & Co
 Stanley Best Estate Agents
 Stephen Carson
 Stevenson & Cumming
 Taylor & Co.
 Templeton Robinson
 Tim Martin & Co.
 Ulster Property Sales
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For further information please contact:

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