

Northern Ireland Residential Property Price Index January – March 2016 (Quarter 1 2016)



Published: 17 May 2016

<http://www.finance-ni.gov.uk/topics/statistics-and-research/ni-residential-property-price-index>

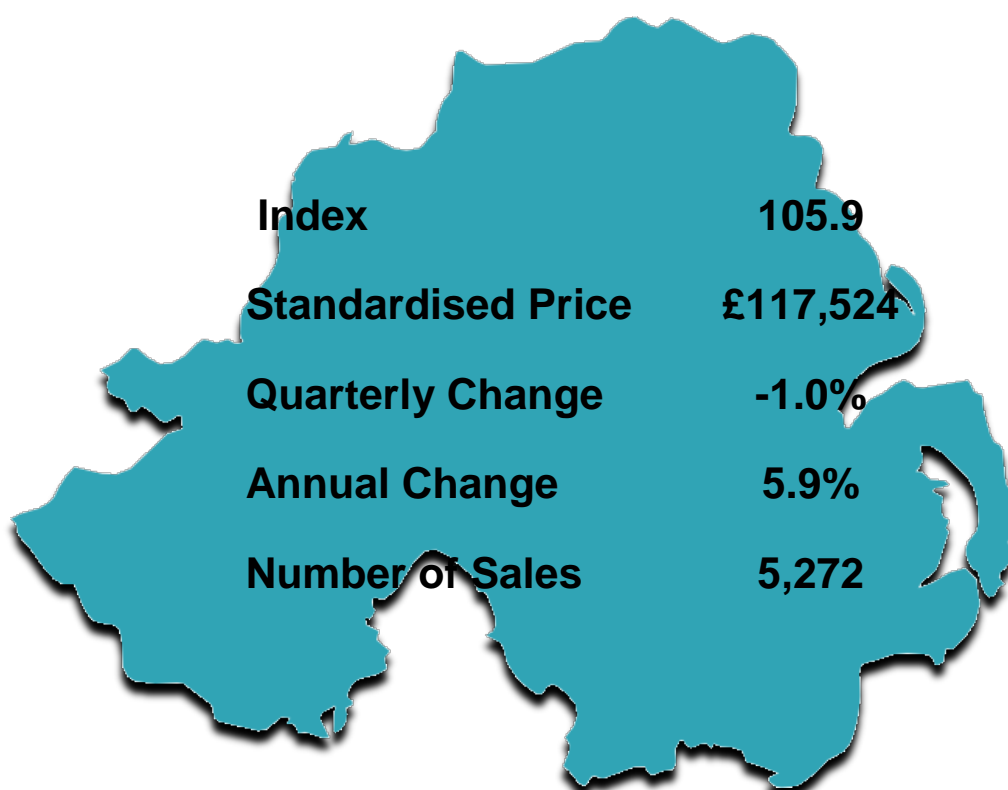
The Residential Property Price Index (RPPI) is designed to provide a measure of change in the price of a standardised residential property sold in Northern Ireland. The index uses information on all verified residential property sales as recorded by HM Revenue & Customs.

The RPPI methodology has been enhanced, the main changes are:

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

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

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



Introduction

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

Information on the price of new dwellings sold is available for the first time this quarter. It is important to note that the numbers of sales reported in the current quarter only includes those new dwellings which were in the NI Valuation List when sold. The majority of new dwellings are sold before entry to the Valuation List and are entered into the List during the following quarter. As a result, robust information on the total number of new dwellings sold is not available until the quarter following the quarter to which the report refers.

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

The report includes eight sections:

1. Northern Ireland Residential Property Price Index
2. Residential Property Price Index by Property Type
3. Residential Property Price Index for New/Old Dwellings **NEW!**
4. Volume of Residential Property Sales
5. Regional Residential Property Price Statistics (Quarter 1 2016)
6. Economic Context
7. Detailed Statistics Content
8. Contact Details

Presentation of figures

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

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

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

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

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

1. Northern Ireland Residential Property Price Index

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

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

Revisions

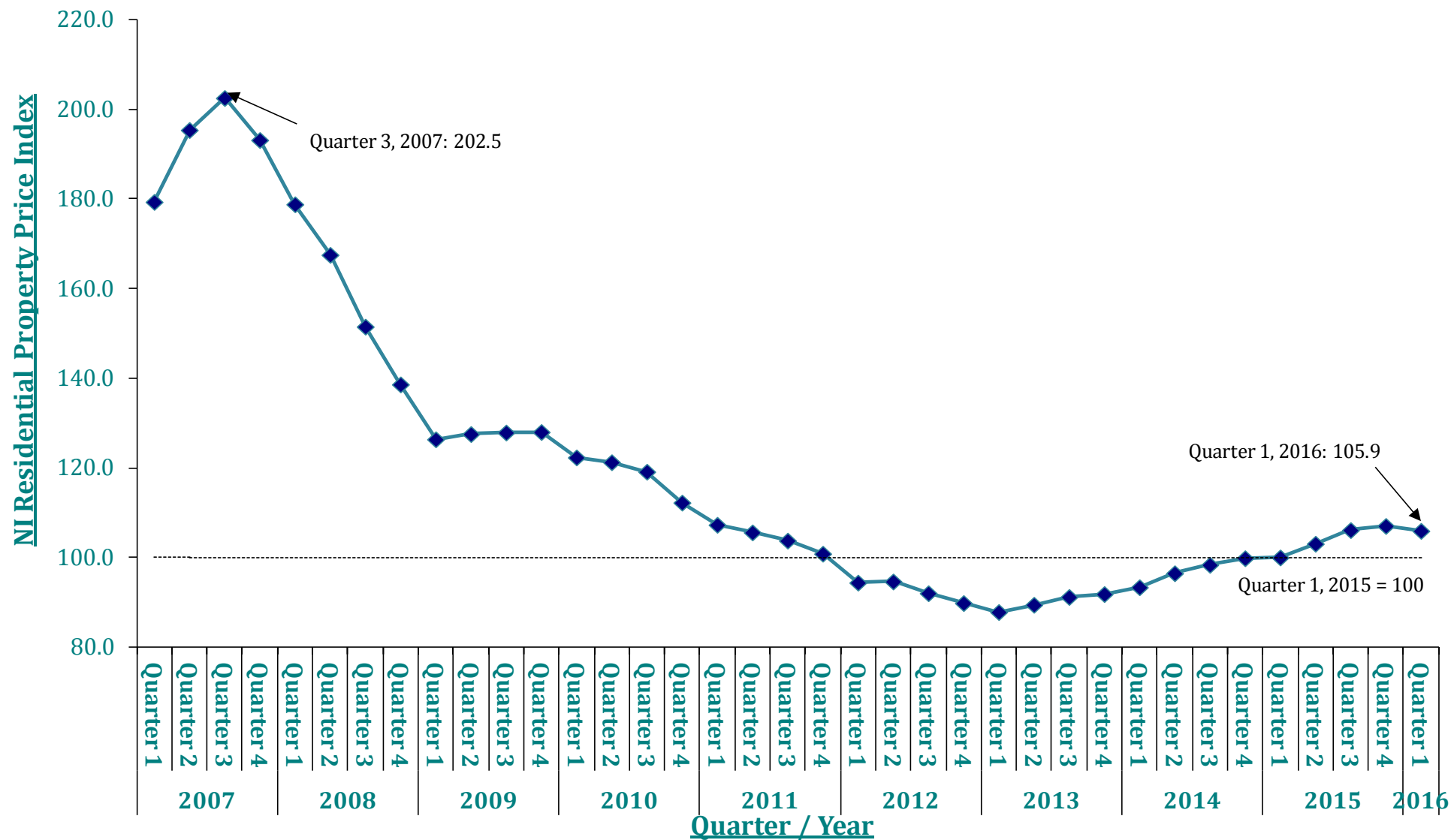
All the NI Residential Property Price Index statistics between Q1 2005 and Q1 2016 have been revised due to the enhancements made to the methodology. The new methodology makes it possible to produce a comparable time series of prices for property types/areas and to produce prices and an index for new dwellings.

The NI RPPI will be used as the NI component in the single official UK House Price Index which will launch on 14 June 2016.

The numbers of verified sales have been revised to include sales received since the last publication, namely sales of new properties which have been entered into the NI Valuation List and late sales reported to HMRC.

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

Figure 1.1: Northern Ireland Residential Property Price Index (Q1 2007 – Q1 2016)



[Download chart](#)

NI Residential Property Price Index

The overall index showed a decrease of 1.0% between the fourth quarter of 2015 and the first quarter of 2016. Between Q1 2015 and Q1 2016 the residential property price index increased by 5.9%. The NI RPPI currently stands at 105.9 in the first quarter of 2016. The index is now 5.9% higher than in the first quarter of 2015, and 5.0% higher than Q1 2005.

Price Index by Property Type

The index for detached, semi-detached and terrace properties decreased in Q1 2016, by 0.7%, 2.4%, and 1.0% respectively. Apartments increased over the quarter by 2.9%.

Price Index by Dwelling Type

The price of new dwellings sold in Q1 2016 was slightly reduced (0.5%) over the quarter since Q4 2015. The index stands at 105.4 in Q1 2016 which is 5.4% higher than Q1 2015 and 10.0% higher than Q1 2005.

Table 1.1: NI Residential Property Price and Index Values

Year	Quarter	NI Residential			
		NI Residential Property Price Index	Property Standardised Price	Quarterly Change	Annual Change
2007	Quarter 1	179.3	£198,950	10.6%	51.5%
	Quarter 2	195.4	£216,751	8.9%	50.6%
	Quarter 3	202.5	£224,670	3.7%	40.0%
	Quarter 4	193.1	£214,269	-4.6%	19.1%
2008	Quarter 1	178.8	£198,362	-7.4%	-0.3%
	Quarter 2	167.5	£185,845	-6.3%	-14.3%
	Quarter 3	151.5	£168,076	-9.6%	-25.2%
	Quarter 4	138.6	£153,774	-8.5%	-28.2%
2009	Quarter 1	126.4	£140,190	-8.8%	-29.3%
	Quarter 2	127.5	£141,489	0.9%	-23.9%
	Quarter 3	127.9	£141,864	0.3%	-15.6%
	Quarter 4	128.0	£141,994	0.1%	-7.7%
2010	Quarter 1	122.3	£135,701	-4.4%	-3.2%
	Quarter 2	121.3	£134,515	-0.9%	-4.9%
	Quarter 3	119.1	£132,164	-1.7%	-6.8%
	Quarter 4	112.2	£124,515	-5.8%	-12.3%
2011	Quarter 1	107.3	£119,024	-4.4%	-12.3%
	Quarter 2	105.6	£117,142	-1.6%	-12.9%
	Quarter 3	103.8	£115,108	-1.7%	-12.9%
	Quarter 4	100.8	£111,871	-2.8%	-10.2%
2012	Quarter 1	94.4	£104,712	-6.4%	-12.0%
	Quarter 2	94.6	£104,987	0.3%	-10.4%
	Quarter 3	92.0	£102,086	-2.8%	-11.3%
	Quarter 4	89.8	£99,647	-2.4%	-10.9%
2013	Quarter 1	87.8	£97,428	-2.2%	-7.0%
	Quarter 2	89.4	£99,229	1.8%	-5.5%
	Quarter 3	91.2	£101,165	2.0%	-0.9%
	Quarter 4	91.8	£101,879	0.7%	2.2%
2014	Quarter 1	93.4	£103,570	1.7%	6.3%
	Quarter 2	96.5	£107,031	3.3%	7.9%
	Quarter 3	98.4	£109,116	1.9%	7.9%
	Quarter 4	99.8	£110,750	1.5%	8.7%
2015	Quarter 1	100.0	£110,940	0.2%	7.1%
	Quarter 2	103.1	£114,340	3.1%	6.8%
	Quarter 3	106.1	£117,716	3.0%	7.9%
	Quarter 4	107.0	£118,740	0.9%	7.2%
2016	Quarter 1	105.9	£117,524	-1.0%	5.9%

Note: Percentage change figures are calculated using unrounded figures.

[Download table](#)

2. Residential Property Price Index by Property Type

Table 2.1: NI Residential Property Price Index by Property Type

Property Type	Index (Quarter 1 2016)	Percentage Change on Previous Quarter	Percentage Change over 12 months	Standardised Price (Quarter 1 2016)
Detached	106.8	-0.7%	6.8%	£179,542
Semi-Detached	103.1	-2.4%	3.1%	£112,566
Terrace	107.1	-1.0%	7.1%	£80,796
Apartment	109.7	2.9%	9.7%	£95,821
All	105.9	-1.0%	5.9%	£117,524

(Index Q1 2015 = 100)

Note: Percentage change figures are calculated using unrounded figures.

[Download table](#)

The table shows the index and standardised price of different types of residential property for the first quarter of 2016 as compared to the fourth quarter in 2015 and the first quarter in 2015. This shows that the index for detached, semi-detached and terrace properties decreased in Q1 2016 while the index for apartments increased. All property types showed an increase over the year.

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

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

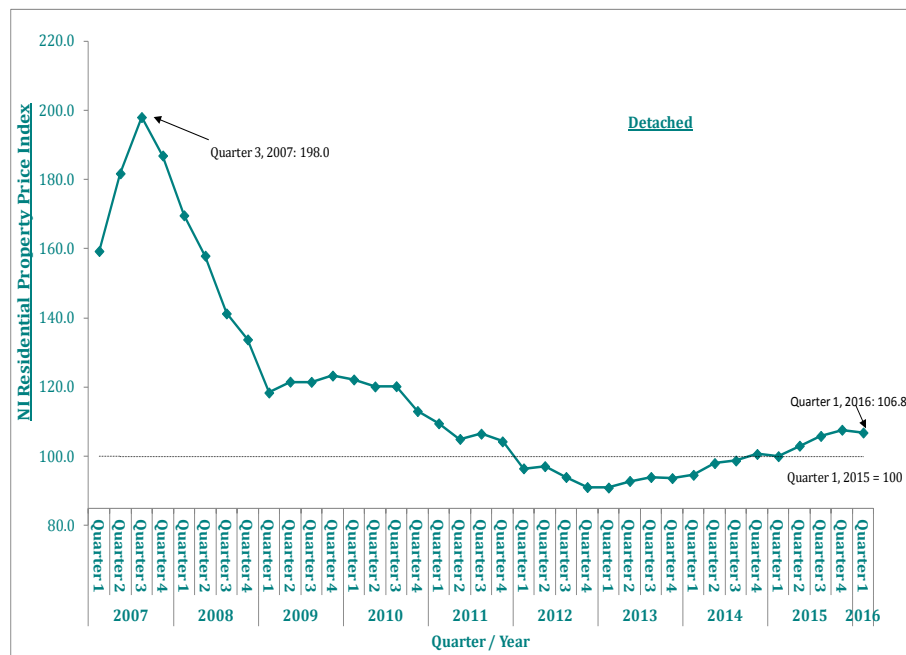


Figure 2.1 graphs the index for detached properties sold in Northern Ireland.

The index for detached properties decreased by 0.7% between Q4 2015 and Q1 2016 but is 6.8% higher than Q1 2015, with the index now standing at 106.8 (i.e. prices today are typically 6.8% higher than the first quarter of 2015).

[Download chart](#)

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

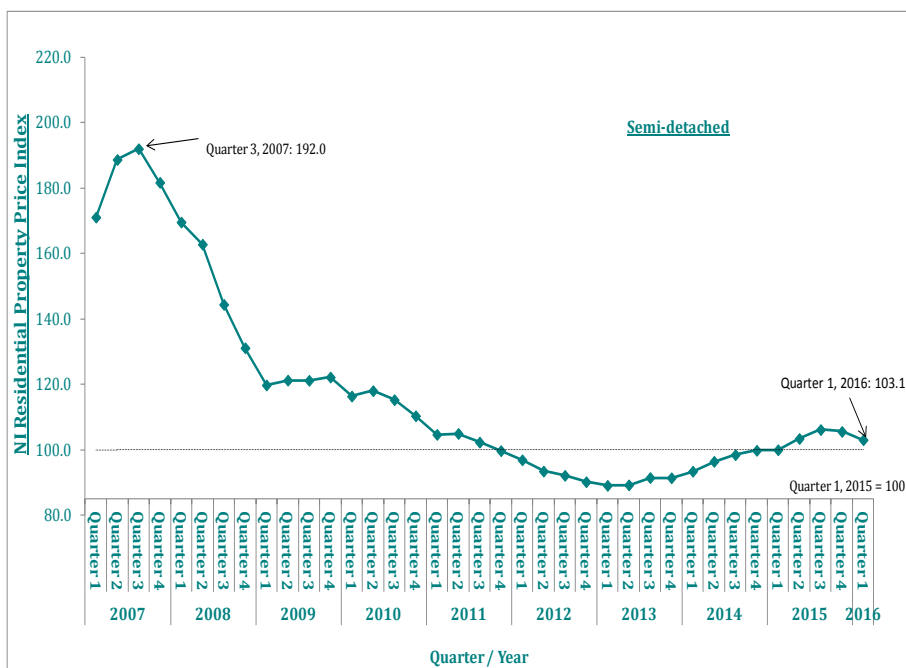


Figure 2.2 graphs the index for semi-detached properties sold in Northern Ireland.

The index for semi-detached decreased by 2.4% between Q4 2015 and Q1 2016 but increased by 3.1% between Q1 2015 and Q1 2016. Prices are currently 3.1% higher than the Q1 2015 level.

[Download chart](#)

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

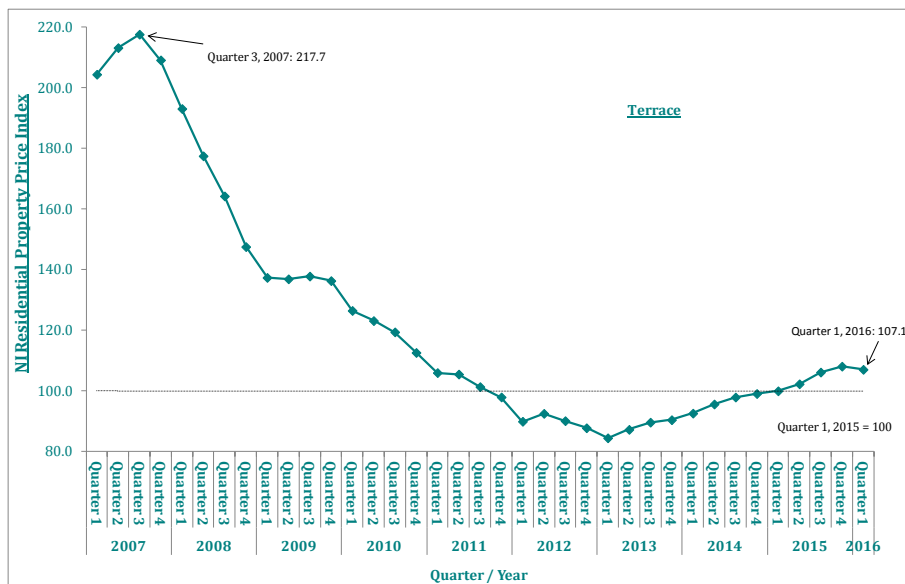


Figure 2.3 graphs the index for terrace properties sold in Northern Ireland.

The index for terrace properties decreased by 1.0% between Q4 2015 and Q1 2016 and now stands at 107.1. It is 7.1% higher than Q1 2015.

[Download chart](#)

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

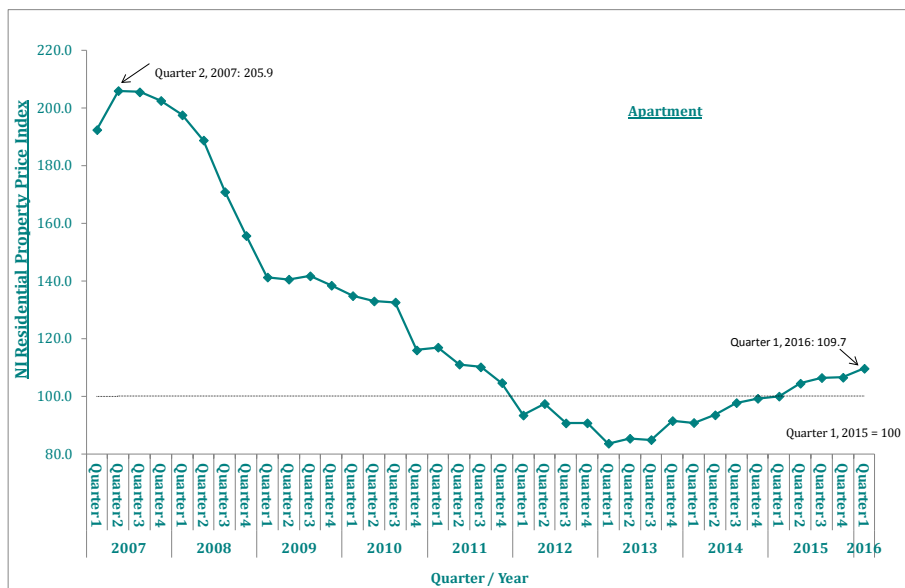


Figure 2.4 graphs the index for apartments sold in Northern Ireland.

The index for apartments increased by 2.9% between Q4 2015 and Q1 2016 and now stands at 109.7. It is 9.7% higher than Q1 2015.

[Download chart](#)

3. Residential Property Price Index for New/Old Dwellings

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

Table 3.1: NI Residential Property Price Index for New/Old Dwellings

Dwelling Type	Index (Quarter 1 2016)	Percentage Change on Previous Quarter	Percentage Change over 12 months	Standardised Price (Quarter 1 2016)
New	105.4	-0.5%	5.4%	£138,278
Old	106.1	-1.2%	6.1%	£112,545
All	105.9	-1.0%	5.9%	£117,524

[Download table](#)

Table 3.1 shows the price index and standardised price paid for new and old dwellings in Northern Ireland in Q1 2016 compared to Q4 2015 and Q1 2015. Both types of dwellings showed a decrease over the quarter, however the decrease in the price of new dwellings was very small at 0.5%.

Figure 3.1: NI Residential Property Price Index for New/Old Dwellings

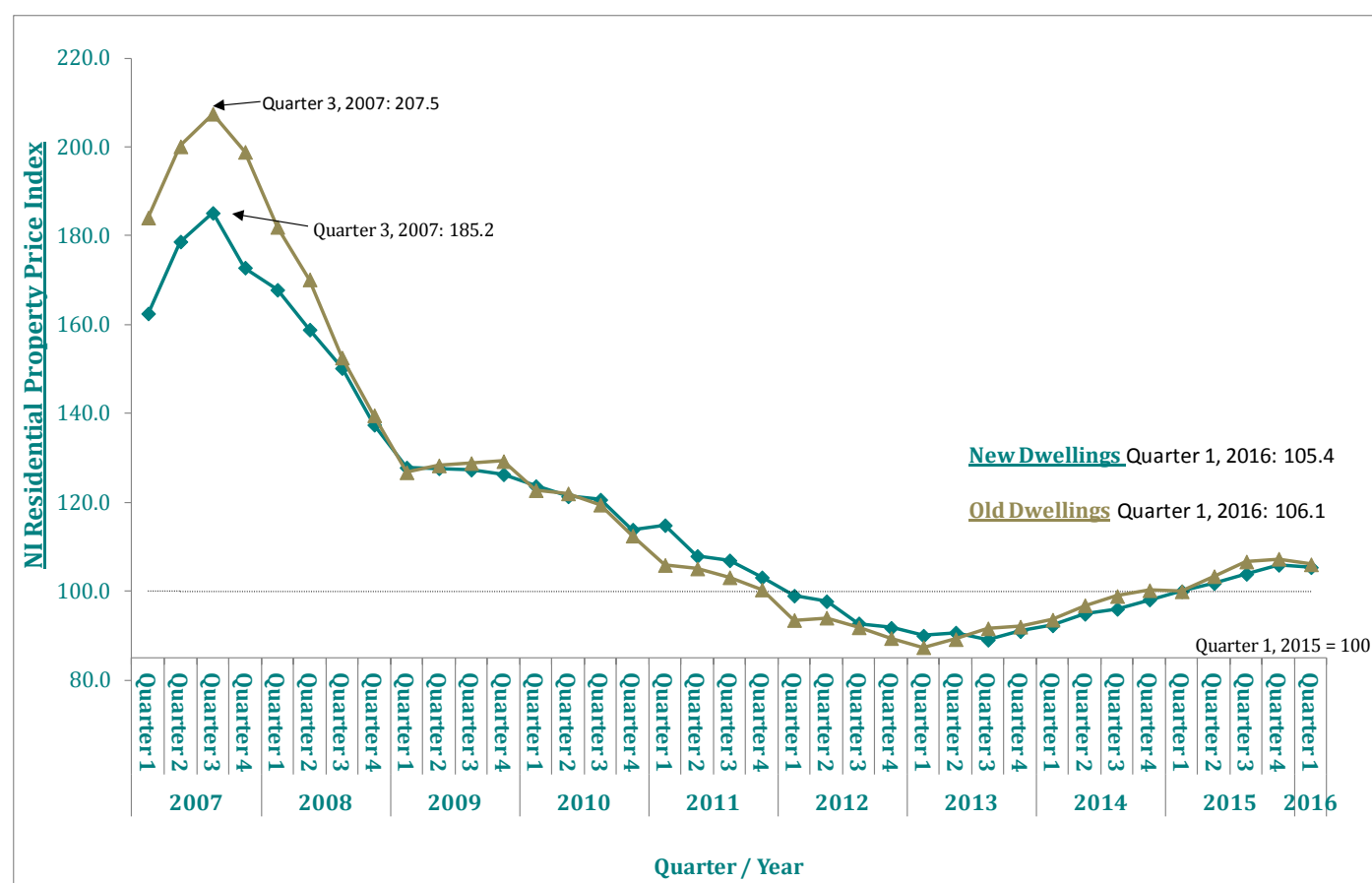


Figure 3.1 shows the price index trend for new and old dwellings between Q1 2007 and Q1 2016. The price index of new dwellings rose by 93.3% from Q1 2005 to peak in Q3 2007 at 185.2, prices for old dwellings increased by 102.5% during the same period. Since the peak, prices for both dwelling types followed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

The new dwellings index now stands at 105.4, 5.4% higher than Q1 2015 and 10.0% higher than Q1 2005. The old dwellings index now stands at 106.1, 6.1% higher than Q1 2015 and 3.5% higher than Q1 2005.

Further analysis on prices of new and old dwellings is available in the detailed statistics which are available at: <https://www.finance-ni.gov.uk/articles/northern-ireland-residential-property-price-index>

4. Sales Volumes

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

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

The annual number of sales stood at just over 29,000 in 2007. Between 2008 and 2011 the annual number of sales was roughly 11,000. From 2012-2014, the number of sales increased each year to 21,200 in 2014. In 2015 there were 21,171 verified residential property sales.

In Q1 2016, there were almost 5,300 verified residential property sales.

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

Apartment sales have remained steady over the period at around 8% of all sales until Q1 2016 where there has been a notable increase and apartment sales now represent 10% of all dwellings sold.

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

Year	Quarter	Detached	Semi-Detached	Terrace	Apartment	Total
2007	Quarter 1	2,191	2,464	3,344	691	8,690
	Quarter 2	2,317	2,693	3,568	741	9,319
	Quarter 3	1,905	1,875	2,457	526	6,763
	Quarter 4	1,146	1,209	1,503	420	4,278
	2007 Total	7,559	8,241	10,872	2,378	29,050
2008	Quarter 1	775	877	1,109	239	3,000
	Quarter 2	814	1,028	1,151	321	3,314
	Quarter 3	608	684	785	176	2,253
	Quarter 4	614	729	740	166	2,249
	2008 Total	2,811	3,318	3,785	902	10,816
2009	Quarter 1	528	669	624	174	1,995
	Quarter 2	729	1,018	847	233	2,827
	Quarter 3	860	1,114	1,032	229	3,235
	Quarter 4	989	1,238	1,103	254	3,584
	2009 Total	3,106	4,039	3,606	890	11,641
2010	Quarter 1	639	795	848	221	2,503
	Quarter 2	738	924	849	185	2,696
	Quarter 3	705	906	961	134	2,706
	Quarter 4	824	844	936	208	2,812
	2010 Total	2,906	3,469	3,594	748	10,717
2011	Quarter 1	654	770	817	159	2,400
	Quarter 2	761	810	814	233	2,618
	Quarter 3	961	1,025	949	272	3,207
	Quarter 4	900	986	927	264	3,077
	2011 Total	3,276	3,591	3,507	928	11,302
2012	Quarter 1	937	971	1,017	250	3,175
	Quarter 2	901	975	990	261	3,127
	Quarter 3	1,120	1,130	1,033	274	3,557
	Quarter 4	1,175	1,147	1,178	267	3,767
	2012 Total	4,133	4,223	4,218	1,052	13,626
2013	Quarter 1	1,025	1,072	1,064	274	3,435
	Quarter 2	1,193	1,196	1,227	259	3,875
	Quarter 3	1,334	1,277	1,274	323	4,208
	Quarter 4	1,601	1,571	1,455	426	5,053
	2013 Total	5,153	5,116	5,020	1,282	16,571
2014	Quarter 1	1,481	1,406	1,377	363	4,627
	Quarter 2	1,664	1,654	1,531	413	5,262
	Quarter 3	1,742	1,741	1,571	425	5,479
	Quarter 4	1,850	1,828	1,673	491	5,842
	2014 Total	6,737	6,629	6,152	1,692	21,210
2015	Quarter 1	1,406	1,441	1,367	341	4,555
	Quarter 2	1,605	1,654	1,469	472	5,200
	Quarter 3	1,806	1,870	1,530	428	5,634
	Quarter 4	1,733	1,853	1,712	484	5,782
	2015 Total	6,550	6,818	6,078	1,725	21,171
2016	Quarter 1	1,508	1,472	1,744	548	5,272

[Download table](#)

5. Regional Residential Property Price Statistics

The Northern Ireland property market trends are available at:

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

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

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

Table 5.1: NI RPPI and standardised price by Local Government District (Quarter 1 2016)

Local Government District	Index (Quarter 1 2016)	Percentage Change on Previous Quarter	Percentage Change over 12 months	Standardised Price (Quarter 1 2016)
Antrim and Newtownabbey	103.9	-2.8%	3.9%	£119,479
Ards and North Down	103.5	-1.5%	3.5%	£138,933
Armagh City, Banbridge and Craigavon	106.6	-0.7%	6.6%	£105,087
Belfast	104.1	-2.5%	4.1%	£110,042
Causeway Coast and Glens	111.5	1.7%	11.5%	£120,429
Derry City and Strabane	105.1	1.5%	5.1%	£99,527
Fermanagh and Omagh	114.1	-1.8%	14.1%	£109,346
Lisburn and Castlereagh	104.8	-1.6%	4.8%	£140,686
Mid and East Antrim	106.2	-0.7%	6.2%	£109,918
Mid Ulster	108.4	4.5%	8.4%	£121,209
Newry, Mourne and Down	106.7	-1.9%	6.7%	£120,018
Northern Ireland	105.9	-1.0%	5.9%	£117,524

(Index Q1 2015 = 100)

Note: Percentage change figures are calculated using unrounded figures.

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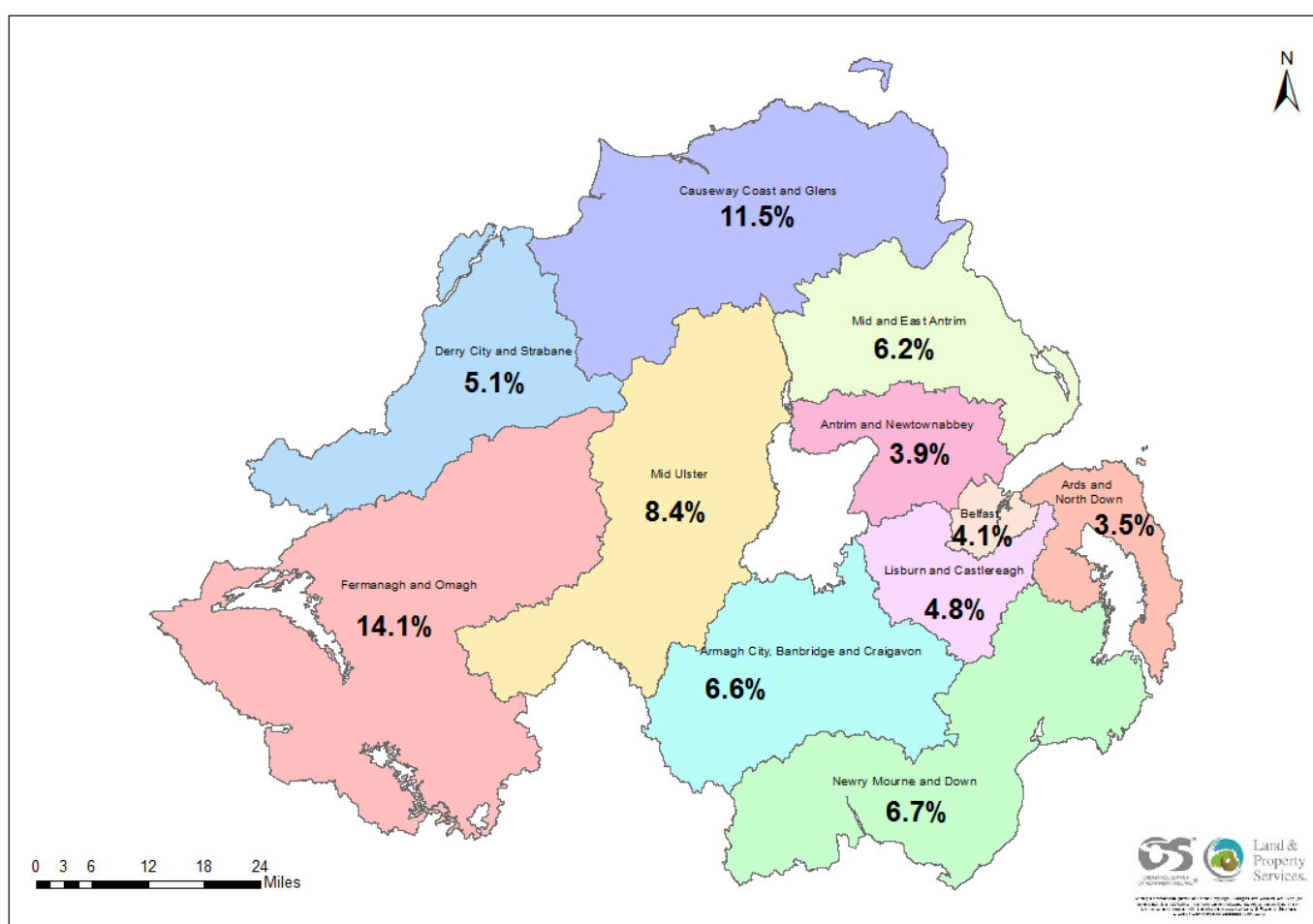
¹ See Explanatory note 8 for a definition of these regional areas <https://www.finance-ni.gov.uk/articles/northern-ireland-residential-property-price-index>

Table 5.1 shows the NI Residential Property Price Index and standardised price for each Local Government District in Northern Ireland at Q1 2016.

The index for properties in Mid Ulster saw the largest increase over the quarter of 4.5% while properties in Causeway Coast and Glens, and Derry City and Strabane saw an increase of 1.7% and 1.5% respectively over the quarter. The index for all other council areas decreased over the quarter.

All council areas showed an increase over the 12 months since Q1 2015. Ards and North Down reported the smallest increase of 3.5%, while the index for Fermanagh and Omagh was 14.1% higher than Q1 2015.

Figure 5.1: Annual Change in RPPI by Local Government District Q1 2016



[Download chart](#)

6. Economic Context

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

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

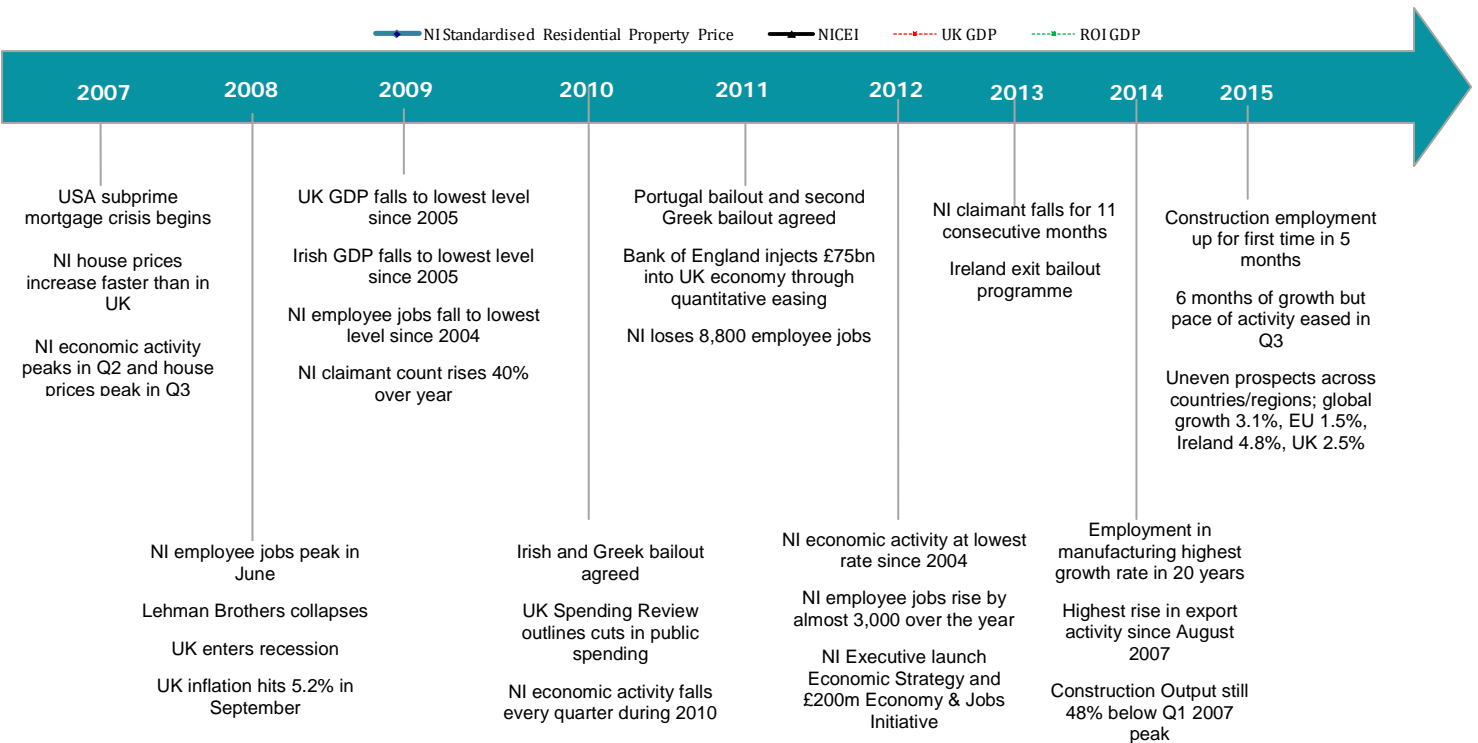
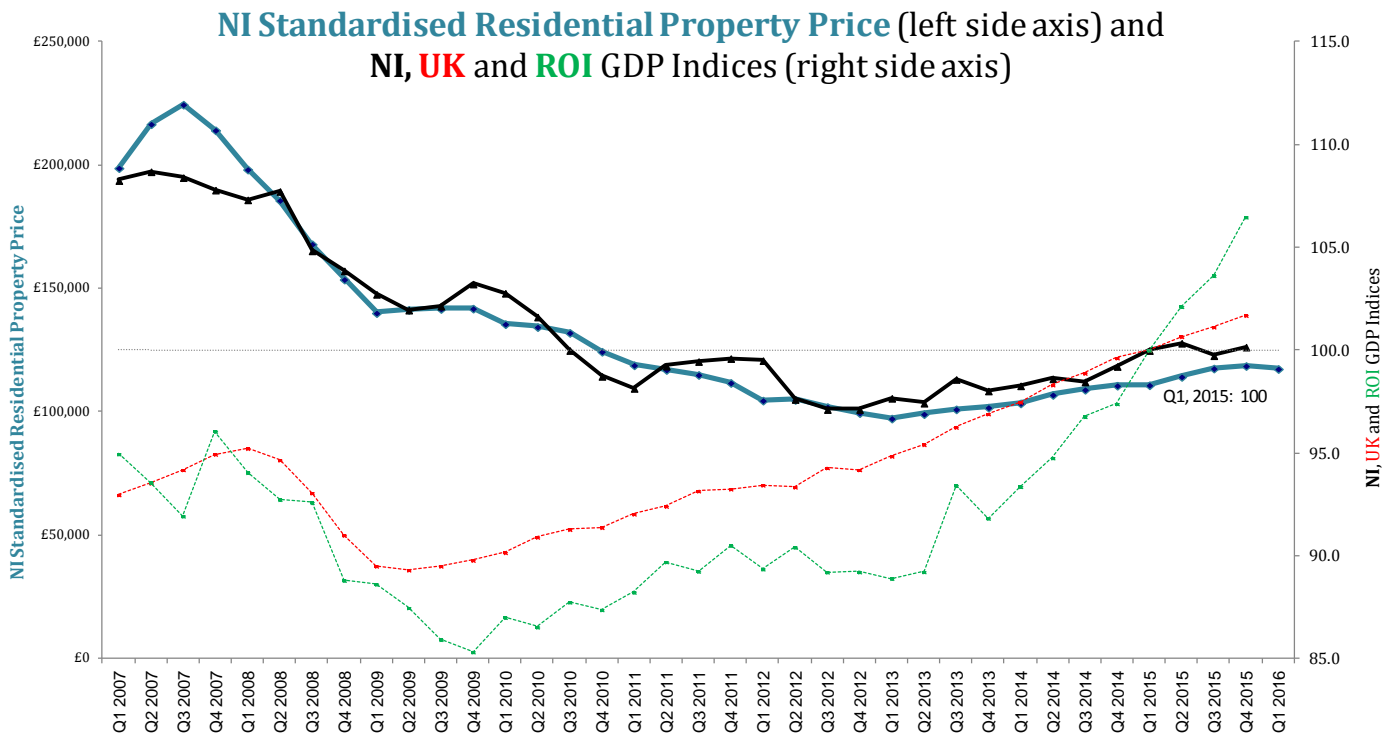
The most up-to-date official statistics on the economy and labour market are available on the Economic Overview page of the DfE website at

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

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

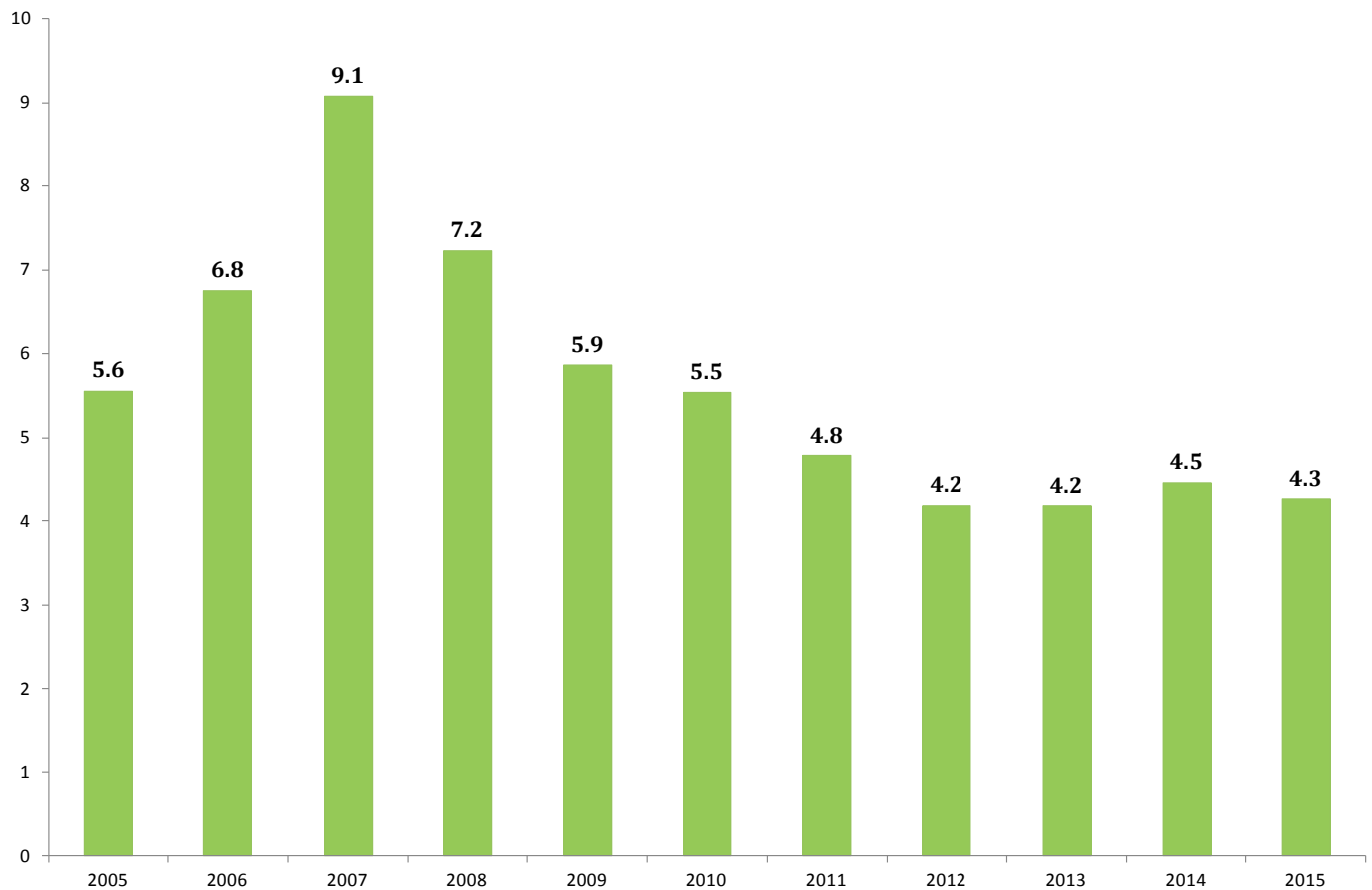
To illustrate the relationship between the three indices in figure 6.1 the NICEI, UK and ROI indices are referenced to Q1 2015 = 100.

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



The graph shows how the fall in prices from the Q3 2007 peak has most closely aligned to the NI economic performance.

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



Source: Annual Survey of Hours and Earnings, NISRA

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

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

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

7. Detailed Statistics Content

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

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

8. Contact Details

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

Contact Details

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

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