

Northern Ireland Quarterly House Price Index

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Housing
Executive



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Introduction

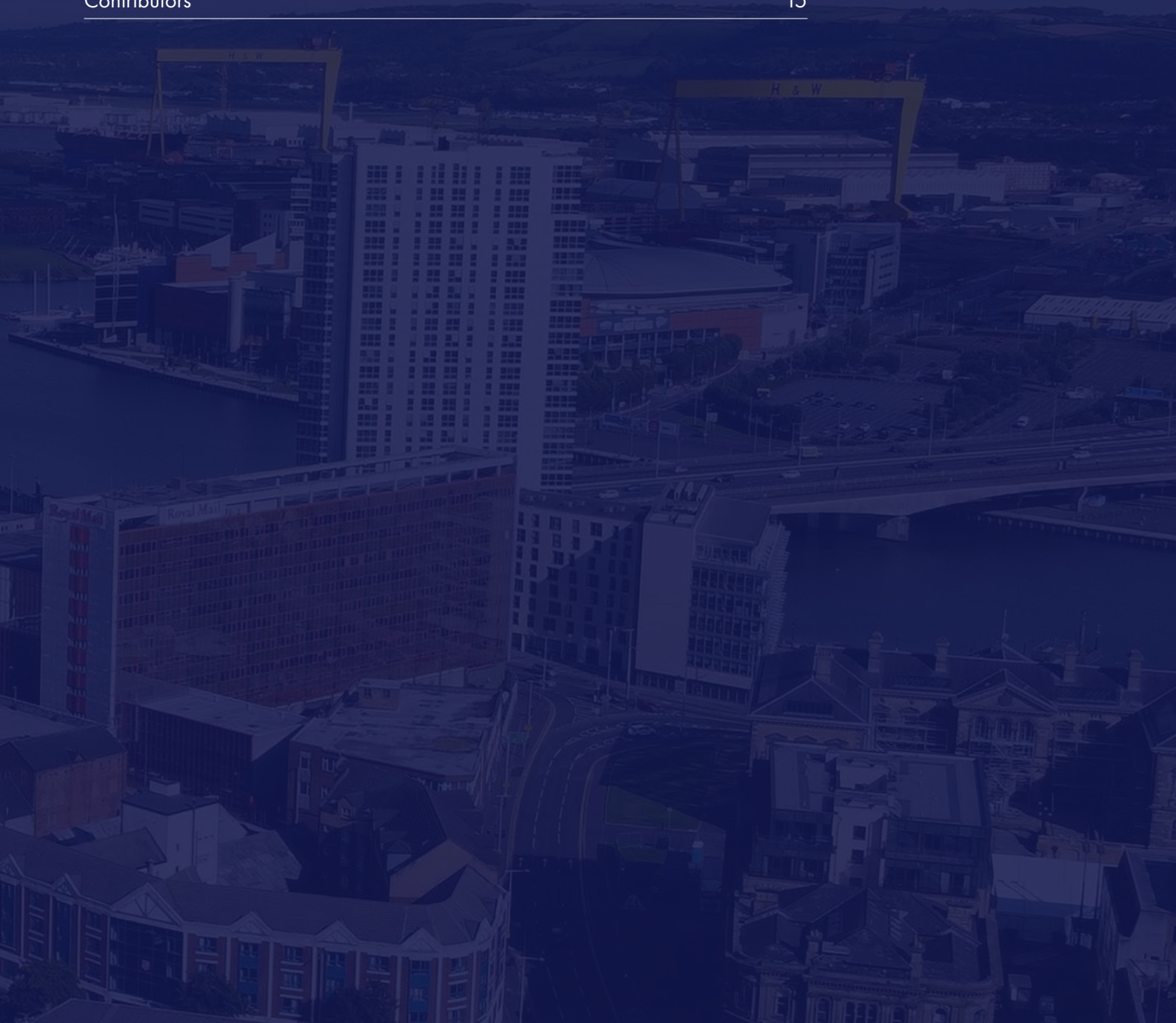
This survey analyses the performance of the Northern Ireland housing market during the third quarter of 2024 (July, August and September). The report details the key trends and spatial patterns in the housing market, drawing comparisons with quarter three of 2023 as a measure of annual change, and with quarter two of 2024 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.

Remarkably, this report marks the 40th year of quarterly reporting by this House Price Index: a long and established tracking of the housing market in Northern Ireland. This report is premised upon 5,065¹ 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.

¹ The larger sample size reflects an increase in the volume of source data obtained.

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IN MEMORIAM

This edition of the House Price Index is dedicated to the memory of our late dear colleague and friend, Professor Stanley McGreal, who passed away suddenly on 18th July 2024. Stanley, alongside Professor Alastair Adair, founded the House Price Index back in 1984 which has continued to be a remarkable research legacy. Stanley was a distinguished academic and mentor, earning him the greatest respect and admiration from colleagues. As one of life's true gentlemen, his wisdom, humour and expertise left an indelible mark on all who had the privilege of knowing him and he will be sadly missed by his extended academic family and friends worldwide.

Semper desiderari

Foreword:

40 years of the House Price Index

I am delighted to write this foreword marking the 40th anniversary of the Northern Ireland House Price Index. As co-authors of the first report covering the final quarter of 1984, the late Professor Stanley McGreal and I could never have imagined the Index would be going strong four decades later.

Sadly, Stanley did not live to see this momentous landmark. His totally unexpected and sudden passing earlier this year left his friends and colleagues at Ulster University and the wider real estate academic community across the world with a feeling of total shock and disbelief. This report is quite rightly dedicated to his memory and his immense contribution to property research both at home and overseas.

That first report in 1984 was known as the Northern Ireland Property Market Analysis Project. The emergence of Ulster University in 1984 saw research being promoted to underpin quality teaching. Stanley and I had long discussions about how we could capture robust data to support research and so the House Price Index was born. Making regular visits around residential estate agents in Northern Ireland, data was collected, statistical analysis undertaken, and a quarterly market analysis report produced.

The rationale for the Index remains unchanged: namely, to examine variations in house prices on a regional basis so that trends can be identified throughout the province. The timing of the Index is distinctive, representing the agreement of a seller and a buyer hence the first point in the house purchase timeline. Subsequent house price surveys such as those produced by financial institutions and government bodies typically measure the date of a mortgage contract or completion of the legal proceedings which can be respectively one to three months later than the first time point noted above. Consequently, the Index enables inflection points in the market to be identified much earlier.

The production of the Index would not be possible without the contribution of two major groups of property market actors. The first is the residential estate agents providing data on house sales. In this regard the number of contributing estate agency practices has remained remarkably consistent over the four decades; currently 105, the first report saw 91 contributor firms. A massive thank you is owed to the resilience of the residential estate agents who have supported the Index during periods of significant boom and recession over four decades. The second group of actors is the commissioners and sponsors of the Index, today the Northern Ireland Housing Executive and Progressive Building Society respectively. Initially the report was sponsored by Ulster University; however, as production costs increased it became necessary to secure external funding.

The support of several sponsors and subsequent commissioning has maintained the continuity of the Index over four decades, so again a massive thank you is offered for both previous and current support.

Comparison of the 1984 report with more recent editions highlights several interesting differences. Two are worthy of brief comment. The first is the overall average price of property at £26,664 in Q4, 1984 compared to £211,225 in Q2, 2024, in nominal terms a colossal increase of almost eight times, highlighting the growth in demand for residential property over the period. The second relates to the composition of the residential property market, with the apartment sector now contributing almost 11% of the market compared to an almost imperceptible 1% in 1984, thus reflecting a major change in housing lifestyle in this emerging sector.

Stanley and I thoroughly enjoyed our engagement with contributing estate agents and sponsors and days out visiting them was always a highlight during our time in leading the production of the report. So was seeing the many varied professional uses to which the report was put and continues to be used. The report is now in the very capable hands of colleagues in Property Market Research at Ulster University. Stanley's rich legacy of rigorous research and statistical analysis lives on. Best wishes for the next 40 years!

Professor Emeritus Alastair Adair



Marking a milestone

As 2024 draws to a close, the latest analysis by Ulster University indicates that there was continued demand in Northern Ireland's housing market during the third quarter of the year, leading to a further increase in average prices. At £219,110, the average price of properties transacting was 5.7% higher than during the equivalent quarter in 2023, and the majority of agents who provided feedback reported increased transactions in their locality, as well as a rising number of buyer enquiries.

The figures and market sentiments presented in the report reflect a period of relative stability in the housing market across the year to date, albeit with ongoing supply challenges and a legacy of increased costs for homeowners due to previous interest rate rises. Looking ahead, the commentary highlights the expectations for the forthcoming autumn budget, which may have been delivered by the time this report is published. The Government has pledged not to increase taxes on working people (i.e. National Insurance, the basic, higher or additional rates of Income Tax, and VAT). However, with signals from the Prime Minister that the budget will be 'painful' and the Chancellor indicating that taxes will need to rise, it is likely that households will experience some degree of impact on their disposable income in coming months.

The change of UK Government – and associated shift in fiscal policy – is the latest in a long series of factors that impact, to a greater or lesser extent, on the housing market and households' decision-making around their housing situation. As Professor Alastair Adair has noted in his guest foreword, this report marks the 40th anniversary of this quarterly house price index, which uses the final quarter of 1984 as its base. Over the four decades of this research, successive shifts in the wider socio-economic and political context have influenced the trajectory of the housing market; from mortgage market deregulation and right to buy (the House Sales Scheme), to the peace process; the shift from 'direct rule' to successive periods of devolved government, the Global Financial Crisis and more recently the impacts of the response to the coronavirus: all have impacted to some extent on Northern Ireland's housing market, and been reflected in the house price index reports.

The work that started in 1984 has contributed significantly to overall knowledge and understanding of the housing market in Northern Ireland, providing timely insights on trends in prices and demand. Over time, the content of the report has evolved, and the suite of research has broadened, to include valuable half-yearly reports on the private rented sector. The most recent of these covered January - June 2024 and showed that the average rent in Northern Ireland was £886 per month – up 8.5% by comparison with the same period in 2023.

These insights on the housing market have informed other research projects, as well as our Housing Investment Plans for each of Northern Ireland's eleven district council areas and, in the past, our Housing Market Review and Perspectives publication. After a hiatus due to resourcing issues, we have decided to re-establish a Housing Review for Northern Ireland, which will be produced each year going forward. As well as covering the economic context and main housing tenures, the new format will deliver easy access to time series housing data, alongside think pieces that explore topical housing issues in Northern Ireland.

As we reflect on the longevity and usefulness of the research that began in 1984, and recall with gratitude our late colleague Professor Stanley McGreal, who played a key role in the project for many years, we are reminded that the figures in these tables and charts represent not only information, but numerous individuals and households. A good quality, affordable home remains a foundational factor for other life outcomes including health, well-being and educational attainment. We are pleased to carry on the legacy of housing research that aims to guide policies recognising the importance of housing and housing provision.

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Foreword Progressive Building Society

The Northern Ireland housing market's positive start to the year gained momentum in the third quarter of 2024, buoyed by a fall in inflationary pressures and a lower interest rate environment. The more bullish environment saw activity tick higher with signs of eager demand across the region and in all housing types. As has been the case for a number of years, the continued lack of new housing stock coming onto the market continues to underpin prices, but sentiment has tempered somewhat by the recent Budget which lessened the chance of significant interest rate cuts in the short term.

The House Price Index showed average Northern Ireland house prices climbed by 3.4% in the third quarter of 2024 compared to the second quarter to £219,110. Prices are now 5.7% higher compared to the same period in 2023. The average price climbed across all house type with terraces/townhouses up 4.6% on an annual basis, semi-detached up 3.3%, detached up 3.6% and apartments up 4.1%.

Regional Outlook

Price moves across government districts in Northern Ireland varied once again. A total of eight out of the 11 districts saw price increases in the third quarter compared to the second quarter of 2024, with the largest in Causeway Coast & Glens where prices were up 7.54%, followed by Lisburn & Castlereagh which was up 6.53%, Armagh City, Banbridge and Craigavon up 4.67%, Antrim & Newtownabbey up 4.46%, Ards & North Down up 3.70%, Belfast up 2.85%, Newry, Mourne & Down up 2.43% and Derry City & Strabane up 0.57%. In terms of price declines, house prices in Fermanagh & Omagh fell 1.55%, Mid Ulster by 2.64% and in Mid & East Antrim 3.83%.

Summary

A more confident economic outlook, easing inflation and a dovish interest rate environment helped send the Northern Ireland housing market higher in the third quarter of the year, building on a confident first half. Buyers warmed to steadily improving

mortgage rates, with the period recording an uptick in both mortgage approvals and, subsequently, transactions volumes. A fall in interest rates in line with the Bank of England's base rate cut during the third quarter and hints at a further slide in the months ahead appears to have bolstered confidence.

But while buyer appetite increased, the continued tight supply picture showed no sign of abating. Agents reported a further decline in the flow of housing stock coming onto the market for sale, a situation which shows no sign of abating and is likely to continue to underpin prices in the Northern Ireland housing market in the coming months. Taken as a whole, the buoyant fundamentals would suggest the market will continue to push higher in the current quarter and next.

However, the Autumn Budget may have dented the interest rate outlook, with the Office for Budget Responsibility predicting that the Westminster government's planned additional spending will push inflation up and keep interest rates at least 0.25 percentage points higher than forecast. Whether that impacts the Northern Ireland housing market remains to be seen but indications suggest that eager demand from previously sidelined buyers combined with an ever-present tight supply picture will continue to bolster prices.

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

Deputy Chief Executive & Finance Director
Progressive Building Society



General Market Trends

The main findings of this survey indicate that the housing market has continued to observe price growth over the third quarter of 2024. The findings indicate that alongside price increases, there were increased buyer enquiries, market sales and completions over the quarter and relative to this time last year, although there is evidence suggesting that new listings once again slowed over the quarter and from the beginning of the year. The House Price Index this quarter shows that the average price of properties transacting during Q3 2024 was £219,110, an increase of 3.4% by comparison with the second quarter of 2024. Annual price statistics show a weighted price increase of 5.7% in comparison to Q3 2023.

The first two quarters of 2024 observed a housing market that was not only stable, but gathering momentum after the inflationary crisis and interest rate rises which saw, for many existing home-owners and prospective buyers, heightened borrowing costs during 2022 and 2023. This unsettled period of economic and fiscal instability seemed to have ended with the mounting consumer confidence and market buoyancy and activity gathering pace over the first two quarters of 2024, driven by lower mortgage rates, which have been improving and more competitive since the beginning of the year. This quarter has seen both mortgage approvals and house prices increase as a response.

However, the change in government, and associated signals of impending budgetary and fiscal changes, in what are being characterised as necessary but ‘painful’ budget announcements – particularly in relation to tax receipts – look almost certain to inflict some pain for housing market players moving forward. A number of mainstream lenders have already begun to ‘hold’ or increase fixed mortgage rates as swap rates – the principal pricing mechanism for brokers – have increased due to concerns over the level of government debt and increases in government borrowing as a result of the (latest) budget announcements. These changes will inevitably have an effect on the level of borrowing and market activity over the final three months of 2024, and a ‘mortgage bomb’ may once again be on the horizon when the budget announcements start to feel its effect upon housing market participants over the rest of 2024 and into 2025.

Agent commentary Q3 2024

As reported in Q2 2024, market activity and confidence increased from the more subdued first quarter of the year, signaling a housing market which was remaining steady. During quarter two of 2024 more than half of the agents surveyed reported that transaction volumes had increased, with 55% indicating that transaction volumes were up on the first quarter of the year. This quarter has seen this agent sentiment further increase, with 65% of agents reporting increased transactions within their local market area. This consumer confidence has also remained high in terms of new buyer enquiries, with 70% of agents signalling that buyer enquires had increased since the previous quarter. The heightened interest amongst prospective buyers was evident when considering sale completions over the quarter, with 60% of agents recording higher completion rates against the second quarter of 2024.

Despite this market activity, over 35% of agents noted that there has been a continued decline in new listings coming onto the market. The quarter two report noted a decline in new listings and this trend has continued into this quarter, with only 45% of agents indicating that new listings were consistent with the previous quarter. Agent opinions towards pricing levels within the market continued to reflect the underpinning demand and supply mismatch evident over the past number of years. Over 85% of agents considered that house prices would remain at their current levels or increase over the remainder of 2024, citing low housing supply as the principal reason. For the second consecutive quarter no agents deemed that house prices would decline in the upcoming quarter.

The feedback from agents also indicated that the declining mortgage interest rates and the stable interest rates has helped maintain buyer activity; however, 35% of those surveyed did acknowledge that the upcoming UK Budget may bring about some tax and fiscal measure changes which could have a detrimental impact on both lending and housing market participants moving into the final quarter of 2024.

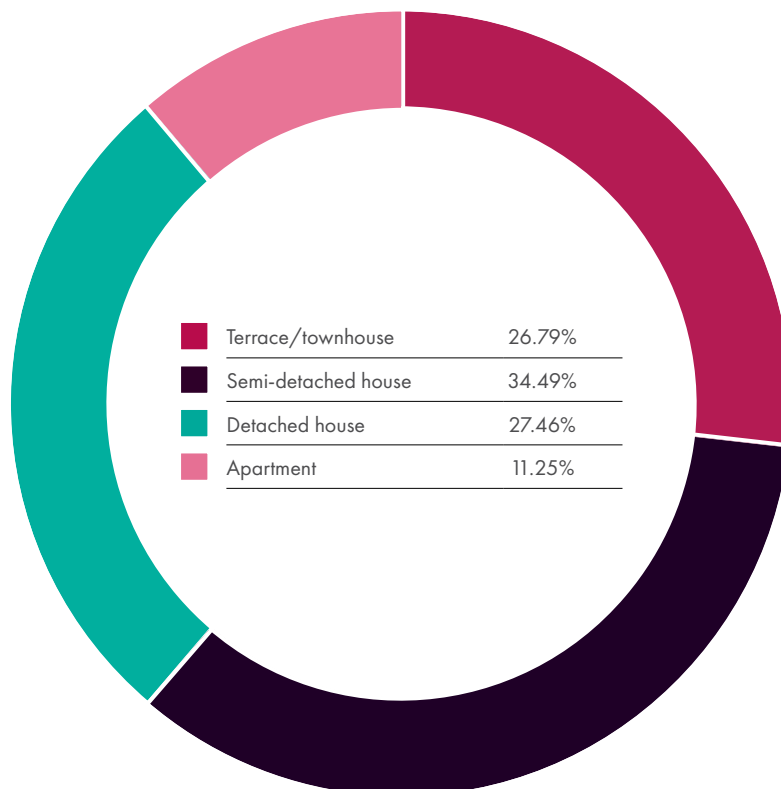


Sample Distribution

The previous surveys for 2024 indicated a slight reduction in transactions within the lower priced segments of the market. This quarter, the sales evidence shows that the proportion of lower priced properties (below £100,000) within the sample equated to 9%, down two percentage points with the second quarter of the year. Properties sold at or below £150,000 accounted for 32% of transactions, down three percentage points relative to Q2 2024. In the middle pricing bracket of the market, 58% of transactions were at or below £200,000, down four percentage points from the second quarter of the year. In the middle-to-upper pricing levels of the market, at 73%, the proportion of properties sold at or below £250,000 is down four percentage points compared with the second quarter of 2024. Transactions below £300,000 accounted for 83% of the sample, down three percentage points compared to Q2, 2024, with transactions beyond £300,000 accounting for 17% of sales within the sample – up four percentage points. Overall, the transactional evidence within this quarter's sample indicates that consumer activity within the higher pricing points has increased over the quarter, a finding that was also notable in the previous quarter of the year.

The sample representation by property type this quarter remains indicative of the wider housing market stock profile² and in line with previous editions of the report. Semi-detached houses continue to be the most common property type in the sample, representing 34% of all transactions (n=1,747). Terraced/townhouses account for 27% of the sample (n=1,357), on par with the previous quarter, and detached houses comprised 27% of all sales (n=1,391), reflective of a two percentage point increase relative to the second quarter of the year. The apartment sector continued to account for the smallest share of the market (11%; n=570), the same as Q2 2024. The proportion of new build properties remained comparable with quarter two, representing 14% of the sales transactions (n=693). In line with the agent sentiment, new build transactions continue to remain below long-term averages. The average price of the new build properties transacting this quarter was £283,639, higher than Q2 2024 by 6.9%

Figure: Market Share by Type of Property



² Statistics gathered from the latest register of recorded households reflecting the market compilation of property types across Northern Ireland.

Performance by Property Type

Analysis by property type shows upward price movements across the market sectors. In terms of quarterly price change, the terrace/townhouse sector of the market showed an average price increase of 4.6%. The detached segment of the market displayed price growth of 3.6%, with the semi-detached sector exhibiting comparable price growth of 3.3%. Apartments observed price growth of 4.1%. Annually, both the detached and terrace/townhouse sectors displayed price increases of 8.2% and 7.6% respectively, whereas the apartment and semi-detached sectors showed smaller price increases of 4.7% and 2.3%. Overall, the annual rate of price change exhibits an unweighted increase of 5.8% compared to Q3 2023 levels.

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 2023 (annual change) and Q2 2024 (quarterly change). In annual terms, the average price statistics exhibit a marginal increase of 5.8% compared with Q3 2023 levels. Where quarterly change is concerned, the average price increased by 3.7% relative to Q2 2024. The third quarter of 2024 continued to show positive price movements across the market sectors. The terrace/townhouse sector exhibited price growth of 4.6%, with the detached and semi-detached sectors observing similar price growth of 3.6% and 3.3%. The apartment sector recorded price growth of 4.1%.

The overall average price in the terrace/townhouse sector stands at £150,836 (n=1,357), with traditional private sector-built terrace dwellings averaging £137,077 (n=1,044) and townhouses £196,729 (n=313). However, the average price of public sector-built terrace dwellings sold during the quarter remained substantially lower (£116,361; n=441). The average price of properties transacting in the semi-detached sector was £200,323 (n=1,747), with private-built dwellings displaying an average of £205,429 (n=1613), compared with an average of £138,855 (n=134) for public-built resale semi-detached housing. The overall average price of detached housing was £325,641 (n=1391). For apartments, the average price in the market was £162,709 (n=470), with differences evident between the average price of private-built apartments £169,655 (n=507) and those originally built within the public sector (£106,808; n=63).

Average Price by Property Type (Unweighted % Change)

Property Type	Annual % Change	Quarterly % Change	Average Price Q2 2024 (£)	Average Price Q3 2024 (£)
Terrace/townhouse	4.6%	8.2%	144,138	150,836
Semi-detached	3.3%	2.3%	193,974	200,323
Detached	3.6%	7.6%	314,394	325,641
Apartment	4.1%	4.7%	156,300	162,709
N. Ireland	3.7%	5.8%	211,225	219,110

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 final 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 (LGDs)

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 coming onto the housing market. When considering the price change statistics this quarter in comparison with Q2 2024, there remain some uneven price changes across the Local Government Districts on a quarterly basis, amplified by the stock transacting in the resale and new build markets.

Seven out of the eleven LGD market areas exhibited price increases over the quarter, with the largest observed in the Causeway Coast and Glens (7.5%), followed by Lisburn and Castlereagh (6.5%), while Antrim and Newtownabbey (4.5%) and Armagh City, Banbridge and Craigavon (4.7%) LGDs displayed comparable price change over the quarter. Ards and North Down, Belfast and Newry, Mourne and Down recorded smaller price growth, on average, of 3.7%, 2.9% and 2.4%, respectively, with the Derry City and Strabane LGD exhibiting marginal price growth of 0.6%. In terms of price change declines, the largest price decrease was observed in Mid and East Antrim (3.8%), followed by Mid-Ulster (2.6%) and Fermanagh & Omagh LGD (1.6%) respectively.

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)³ 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.

Throughout 2023 there was a reduction in the CoV statistics across the market geographies, illustrating an overall decrease in the variability of the price of stock transacting within the market areas. However, the final quarter of the year witnessed an increase in the CoV statistics, denoting a wider pricing spread as the market continued to react to the macroeconomic setting and fiscal changes. Quarter one of the year observed a continuation of this increased pricing spread for some market areas, a trend which continued into quarter two of 2024. This quarter, the average CoV score across the LGDs was 52%. The Belfast LGD remains the highest in terms of price variability (59%), with the lowest observed in Fermanagh and Omagh (43%). Four of the LGDs recorded CoV statistics ranging between 43%-48%, with the remainder noting scores ranging between 52%-59%. The largest increase in the CoV this quarter was seen in the Armagh City, Banbridge and Craigavon LGD and Derry and Strabane LGD, indicating a wider pricing spread of stock transacting in these districts in the more recent quarterly period.

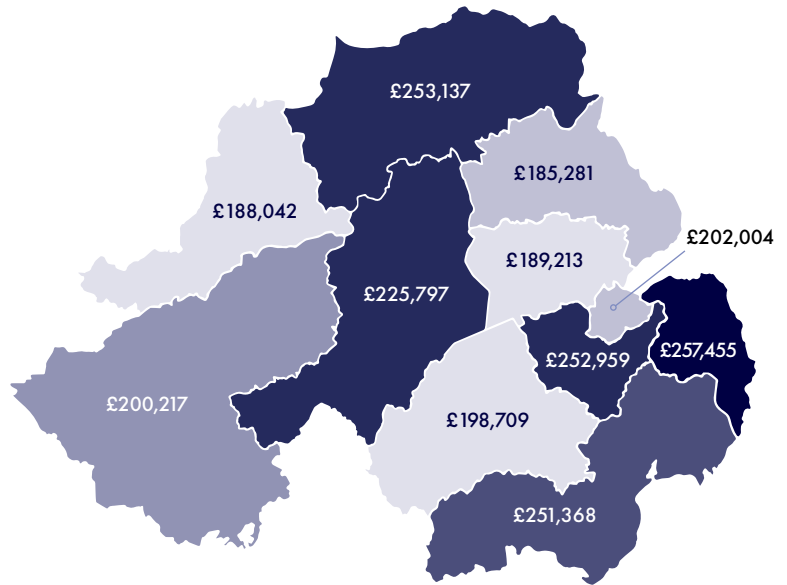
Average Price by Local Government District

Local Government District	Average Price Q2 2024 (£)	Average Price Q3 2024 (£)	% change Q2-Q3
Antrim & Newtownabbey	181,137	189,213	4.5%
Ards & North Down	248,267	257,455	3.7%
Armagh City, Banbridge & Craigavon	189,842	198,709	4.7%
Belfast	196,414	202,004	2.9%
Causeway Coast & Glens	235,379	253,137	7.5%
Derry City & Strabane	186,968	188,042	0.6%
Fermanagh & Omagh	203,369	200,217	-1.6%
Lisburn & Castlereagh	237,462	252,959	6.5%
Mid & East Antrim	192,662	185,281	-3.8%
Mid Ulster	231,912	225,797	-2.6%
Newry Mourne & Down	225,880	231,368	2.4%

³ 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 2024	
	£185,281 - £190,000
	£190,001 - £200,000
	£200,001 - £215,000
	£215,001 - £230,000
	£230,001 - £245,000
	£245,001 - £257,455
	£240,001 - £248,267



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 system⁴, as well as a number of more localised HMAs and sub-areas that function within and across the Belfast Metropolitan HMA⁵.

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.

All but one Housing Market Area exhibited price growth between the second and third quarters of 2024. The largest price increases were seen in Derry HMA (8.6%), Causeway Coast (8.2%), Strabane (8.0%) and Cookstown HMA (8.1%). More modest price increases were observed in Dungannon HMA (6.3%) followed by Fermanagh

(5.4%), Newry (5.1%) and the Belfast Metropolitan (4.5%) HMAs. The lowest price growth was within the Ballymena HMA, at 1.0%. The Omagh HMA recorded a decline of 2.9%, although this was premised upon a smaller sample size for the market area.

As reported in previous surveys, the largest price changes within the HMAs continue to be driven by the type and level of stock transacting within these market geographies. In HMAs which saw heightened price growth of approximately 8% (Causeway Coast, Cookstown), the level of sales transactions within the detached sector accounted for between 35-42% of market transactions in their respective geographies. These transaction volumes illustrate a shift in the type of stock transacting and their respective values.

Functional Housing Market Areas

Housing Market Area	Average Price Q2 2024 (£)	Average Price Q3 2024 (£)	% Change Q2-Q3
Ballymena HMA	180,788	182,640	1.0%
Belfast Metropolitan HMA	209,938	219,341	4.5%
Causeway Coast HMA	231,965	250,882	8.2%
Cookstown HMA	175,864	190,106	8.1%
Craigavon Urban Area HMA	184,269	190,901	3.6%
Derry HMA	177,935	193,160	8.6%
Dungannon HMA ^a	181,140	192,492	6.3%
Fermanagh HMA ^a	190,627	200,827	5.4%
Newry HMA	202,457	212,738	5.1%
Omagh HMA ^a	195,118	189,427	-2.9%
Strabane HMA ^a	166,890	180,290	8.0%

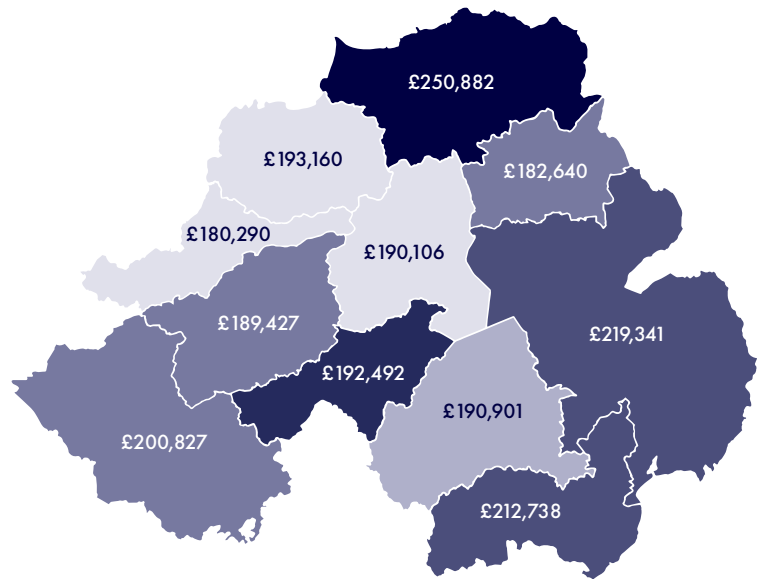
^a note this is based on a small sample (<50 obs).

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

⁵ 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 House Price Q3 2024	
	£180,290 - £190,000
	£190,001 - £200,000
	£200,001 - £210,000
	£200,001 - £210,000
	£210,001 - £220,000
	£220,001 - £250,882



At the more localised geographies within the Belfast Metropolitan Housing Market Area, the Core and Central Belfast local HMAs observed price increases of 4.2% and 3.4% respectively, bringing average prices to £230,619 and £228,688. Within the Greater Belfast local HMA, the average price also increased by 2.2% to £219,431. Across the other peripheral local market geographies,

the Ards and Down local HMA recorded a price increase of 2.9% to an average of £237,438. The Lisburn local HMA observed the highest price increase of 7.6%, with an average price of £238,273, whereas both the Antrim local and East Antrim HMAs observed nominal price decreases of 0.4% and 1.1% indicating that these market areas remain in price parity with the previous quarter of the year, at average prices of £175,957 and £167,052.

Belfast Metropolitan Area Local HMAs

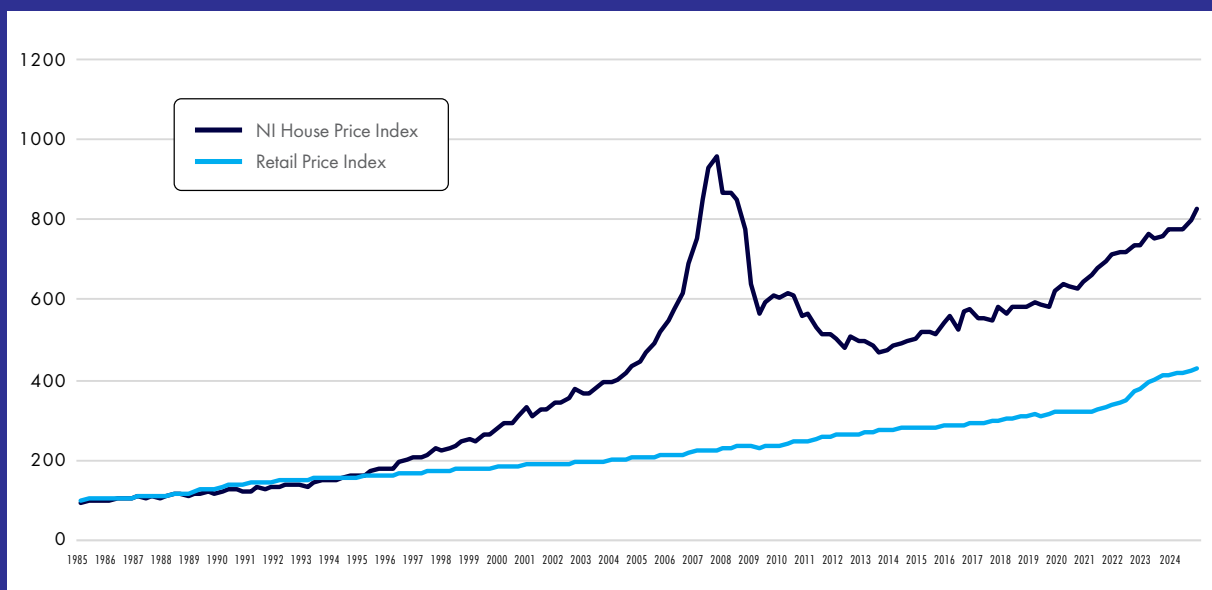
	Average Price Q2 2024 (£)	Average Price Q3 2024 (£)	% Change Q2-Q3
Antrim Local HMA	176,679	175,957	-0.4%
Core Belfast Local HMA	221,280	230,619	4.2%
Greater Belfast Local HMA	214,763	219,431	2.2%
Central Belfast Local HMA	221,246	228,688	3.4%
Lisburn Local HMA	221,408	238,273	7.6%
Ards & Down local HMA	230,781	237,438	2.9%
East Antrim HMA	168,945	167,052	-1.1%

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 826.25 in Q3, 2024, is up twenty nine basis points relative to Q2, 2024, showing that pricing levels in the market continued to increase of the first half of the year.

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. Entering into 2024, the market continued to see prices remain at the same level, recording a nominal decrease of below half of a per cent. Quarter 2 showed signs of increasing momentum within the housing market over the spring period. This quarter transaction volumes have remained high, with price increases across all market segments.



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