

# THE PROPERTY MARKET

A REVIEW OF THE KEY TRENDS IN THE  
NATIONAL AND LOCAL HOUSING MARKET.



## **NORTHERN IRELAND**

Analysis by Dataloft | Spring 2021

# PRICE GROWTH AT FOUR-YEAR HIGH

## SALES



↑**7.6%**

House prices

**£249,633** November 2020 vs **£232,100** November 2019



↑**31.5%**

Property sales

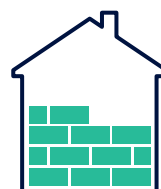
**129,400** December 2020 vs **98,380** December 2019



↑**3.7%**

Mortgage approvals

**818,537** 2020 vs **789,125** 2019



↓**0.1%**

New private homes built (completed)

**35,260** Q3 2020 vs **35,300** Q3 2019



↑**6.8%**

Gross mortgage lending

**£24.2bn\*** December 2020 vs **£22.7bn\*** December 2019

Source: **dataloft**, Bank of England, HMRC, ONS, MHCLG, Dataloft Rental Market Analytics (DRMA)  
\*Figures rounded to nearest £0.1bn

The desire to move remains on the agenda for many as the housing market proved one of the bright sparks of the economy during 2020.

### A year like no other

2020, a year in which the housing market defied expectations. At 7.6%, annual price growth across the UK is at its strongest since the summer of 2016. Over 129,000 homes are believed to have changed hands in December, 32% more than in December 2019 with sales for the year projected to be just 11% lower than in 2019 (HMRC). The mortgage market has recovered. Approvals in 2020 were up 3.7% on the previous year (Bank of England) and with an estimated 9–10% more sales agreed in 2020 than in 2019, the start of 2021 has been positive.

### Supply demand imbalance

The third national lockdown has exacerbated the supply demand imbalance evident across the housing market since the autumn. Rightmove reported its busiest ever start to a year, with demand up 12% and sales agreed in January up 9% year on year. However, new supply to the market has fallen by 12% and the number of homes for sale by 6% as new sellers remain cautious while restrictions remain (Zoopla). Many sales are currently in the conveyancing process, the flexibility to negotiate on price crucial to avoid fall throughs if the current stamp duty deadline of 31 March is missed.

### Economic backdrop

Activity in the market is set against a backdrop of continued economic and consumer uncertainty. The UK economy shrank by a record 9.9% over 2020, despite growth of 1.2% in December. Although consumer spending fell sharply in January as restrictions were tightened, the vaccination rollout is on target and there is some optimism that restrictions may start to ease in the near future. The Chancellor's Budget on 3 March will set the tone for the year ahead, the economy currently forecast to return to pre-pandemic levels during the final quarter of 2022 (OBR).

# LETTINGS



**↑1.4%**

Average rents

December 2020 vs December 2019



**↔29%**

Gross income spent on rent

December 2020 vs December 2019

## Rental market

Average rents across the UK rose by 1.4% in the year to December, on par with growth throughout the year. Agents in virtually all parts of the country envisage rents rising over the near term, London the notable exception as supply continues to considerably outweigh demand (RICS). As in the sales market, interest in rental property out of city centres has surged. However, the majority of renters move less than five miles between tenancies.

**26%**

of renters move less than one mile from their previous address

Source: Dataloft Rental Market Analytics (DRMA)

Analysis by Dataloft



There is hope that a semblance of normality will return during 2021 as the vaccination programme continues apace and lockdown restrictions are gradually lifted. The housing market remains active and with lifestyle change the reason for a move for many, this should ensure continued activity throughout the year.

IAIN MCKENZIE  
CEO, THE GUILD OF PROPERTY PROFESSIONALS

# HELPING YOU OWN YOUR HOME

## Co-ownership and Rent to Own



**50%**  
Co-ownership  
minimum share

**90%**  
Co-ownership  
maximum share

**£165,000**  
Maximum purchase price  
Northern Ireland

### What help is available?

Unlike in the rest of the UK, Northern Ireland ended its Help to Buy scheme back in December 2019. However, there are still options available to those looking to enter the property market, most notably the Co-ownership and Rent to Own schemes.

### How does Co-ownership work?

Purchasers buy a share of a new build property, maximum value £165,000, from 50% up to 90% in steps of 5%. No deposit is necessary, and buyers pay a mortgage on the part they own and pay rent to the Northern Ireland Co-Ownership Housing Association (NICHHA) for the share the association owns. Buyers can increase their share in the home as they are able to. There are currently over 9,000 homes owned in Co-ownership across Northern Ireland.

### What is Rent to Own?

Under Rent to Own, prospective homeowners choose to rent a new build house (maximum value £165,000) for up to three years, while taking steps to improve their mortgageability. From the end of the first year, up to the end of the third, it is possible to purchase the property at its current market value. Prospective homeowners are refunded 20% of the rent paid which can be used as a deposit for a mortgage.

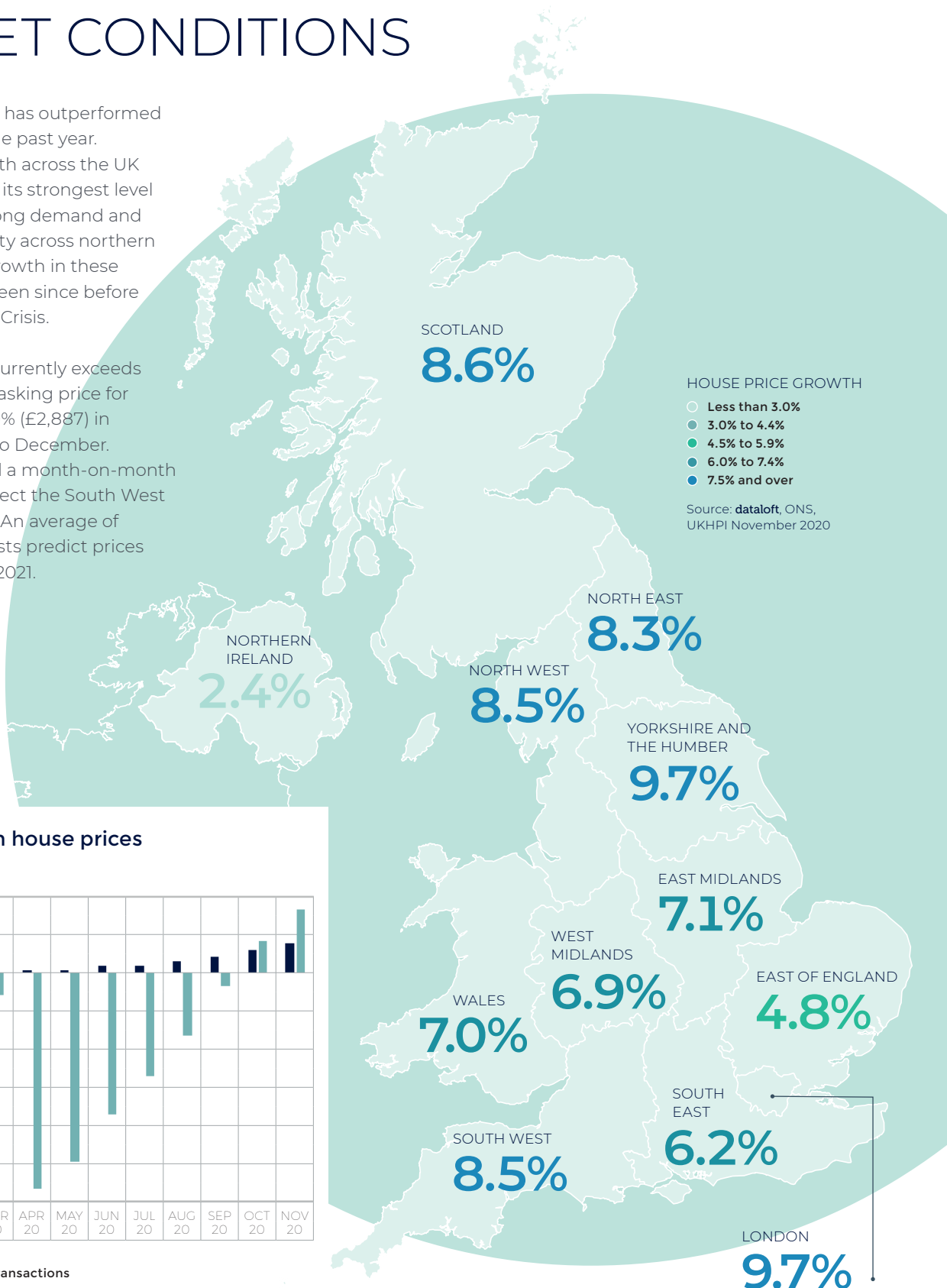
For general information only. Specialist mortgage advice must always be sought.

Source: [dataloft](#), [nidirect.gov.uk](#), [co-ownership.org](#)

# NATIONAL MARKET CONDITIONS

The housing market has outperformed expectations over the past year. Property price growth across the UK in November was at its strongest level since June 2016. Strong demand and attractive affordability across northern regions has led to growth in these areas at a level not seen since before the Global Financial Crisis.

Although demand currently exceeds supply, the average asking price for a property fell by 0.9% (£2,887) in January compared to December. Rightmove reported a month-on-month fall in all regions except the South West and West Midlands. An average of independent forecasts predict prices will stabilise during 2021.

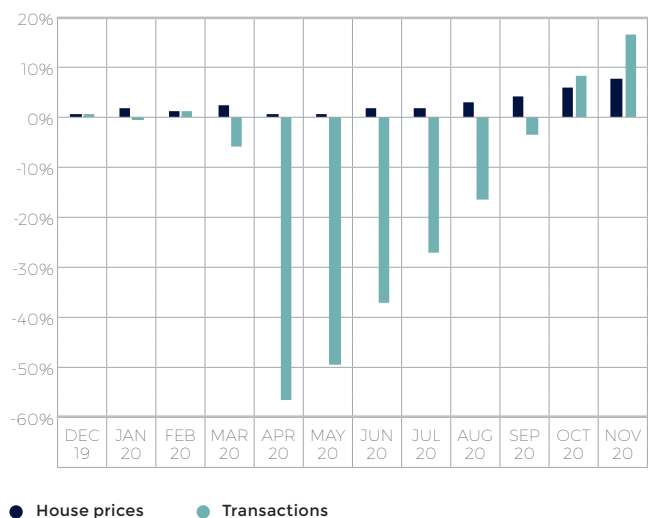


**HOUSE PRICE GROWTH**

- Less than 3.0%
- 3.0% to 4.4%
- 4.5% to 5.9%
- 6.0% to 7.4%
- 7.5% and over

Source: **dataloft**, ONS, UKHPI November 2020

**Annual change in house prices and transactions**



Source: **dataloft**, ONS, UKHPI November 2020

# REGIONAL ACTIVITY

## NORTHERN IRELAND

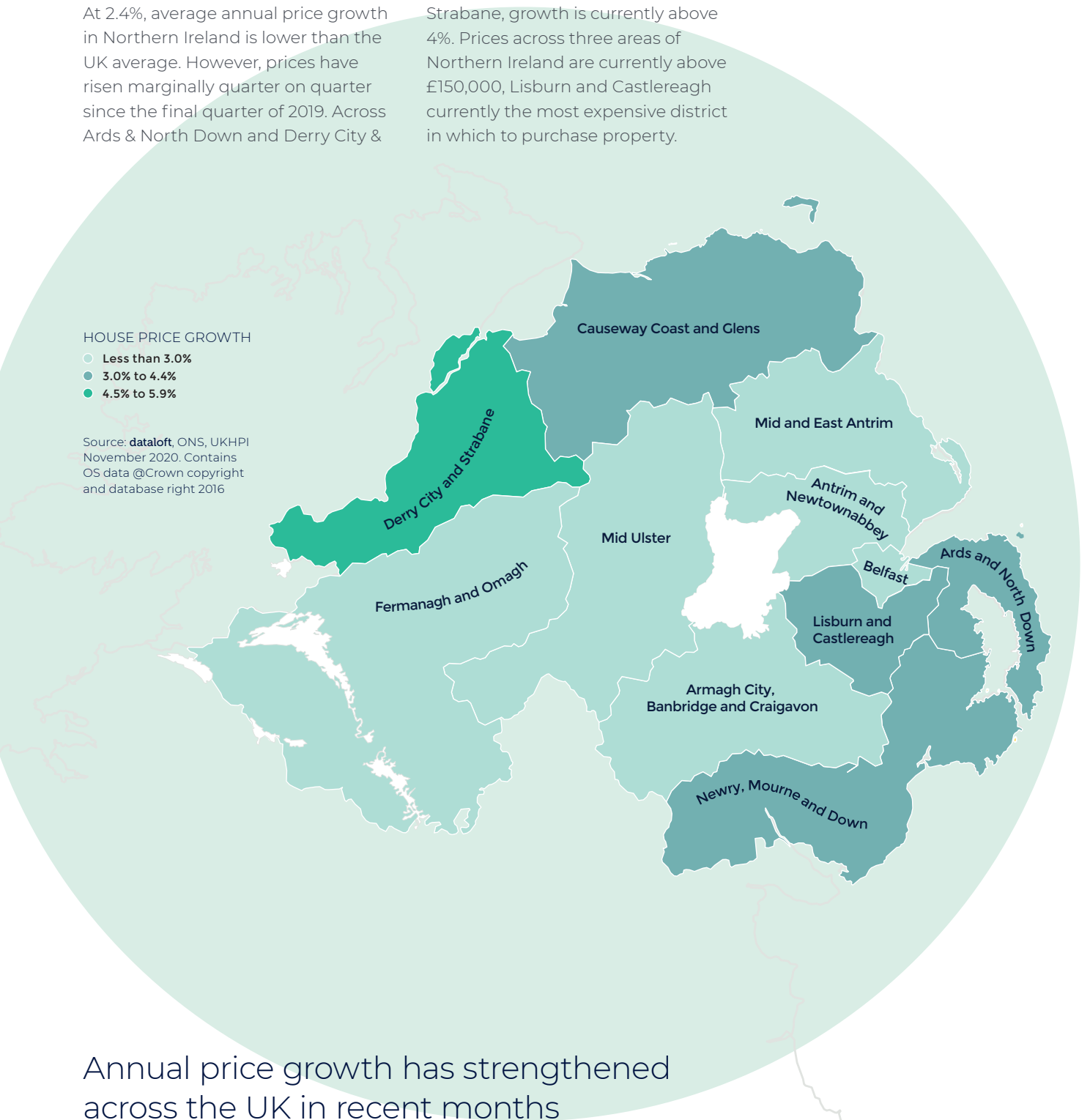
At 2.4%, average annual price growth in Northern Ireland is lower than the UK average. However, prices have risen marginally quarter on quarter since the final quarter of 2019. Across Ards & North Down and Derry City &

Strabane, growth is currently above 4%. Prices across three areas of Northern Ireland are currently above £150,000, Lisburn and Castlereagh currently the most expensive district in which to purchase property.

### HOUSE PRICE GROWTH

- Less than 3.0%
- 3.0% to 4.4%
- 4.5% to 5.9%

Source: [dataloft](#), ONS, UKHPI  
November 2020. Contains  
OS data ©Crown copyright  
and database right 2016



Annual price growth has strengthened across the UK in recent months

# 3.7%

Lisburn and Castlereagh

Most active housing market in this region

Source: dataloft, UKHPI

## Most active housing markets across the region

RANK		% OF PRIVATE STOCK TURNOVER	AVERAGE HOUSE PRICE
1	LISBURN AND CASTLEREAGH	3.7%	£170,530
2	ARDS AND NORTH DOWN	3.7%	£163,456
3	ANTRIM AND NEWTOWNABBEY	3.4%	£148,047
4	ARMAGH CITY BANBRIDGE AND CRAIGAVON	3.2%	£126,778
5	BELFAST	3.1%	£136,436
6	CAUSEWAY COAST AND GLENS	2.9%	£152,923
7	MID AND EAST ANTRIM	2.9%	£130,296
8	DERRY CITY AND STRABANE	2.7%	£126,412
9	NEWRY MOURNE AND DOWN	2.4%	£152,226
10	MID ULSTER	2.2%	£134,136
11	FERMANAGH AND OMAGH	2.0%	£128,657

Source: dataloft, UKHPI

Stock levels relate to 2011 Census data. Some areas have seen increased amounts of new development activity since then, which will enhance turnover rates

## Robust activity

At £143,205 the average price of a property in Northern Ireland is nearly £3,000 more expensive than a year ago and activity across the market is robust. On average just 3% of private properties sell each year; turnover in five areas currently exceeds 3%. Over 2,800 new homes were registered for sale during 2020, and nationally registrations have been on an upward trend since September.

# 2,879

New homes registered in 2020 across Northern Ireland

(NHBC, 2020)

## First-time buyers

First-time buyers were particularly affected by the closed housing market and the stricter mortgage lending that followed. However, buyer numbers have recovered steadily, with transactions just 2% lower year on year during the final six months of 2020 (UK Finance). The number of High Loan-to-Value (LTV) mortgage products has also increased, Moneyfacts reporting there were 169 products available at 90% LTV in January, over double the number available back in July. Lending rates remain low, the average mortgage rate the lowest in history.

# 2.12%

Average mortgage rate

(Bank of England, December 2020)



ABOUT THE

# GUILD OF PROPERTY PROFESSIONALS

The Guild is a UK-wide network of independent estate and letting agents. Each of our Members has been carefully chosen by us, all agents adhering to our Code of Conduct.

If you want independent guidance on moving home or are looking for the best agent in your area, visit [guildproperty.co.uk](https://guildproperty.co.uk)

The Guild of Property Professionals  
121 Park Lane, Mayfair, London W1K 7AG  
020 7629 4141 | [parklane@guildproperty.co.uk](mailto:parklane@guildproperty.co.uk) | [guildproperty.co.uk](https://guildproperty.co.uk)



Analysis by Dataloft

## dataloft

Dataloft is an established property market intelligence company with a long track record of analysing and reporting on the housing market. We are committed to stripping away the mystique of complex data analysis and adding value for clients through interpretation, insight and creativity.

[dataloft.co.uk](https://dataloft.co.uk) | [dataloftinform.co.uk](https://dataloftinform.co.uk)

Disclaimer: This report is produced for general information only. While every effort has been made to ensure the accuracy of this publication, Dataloft Ltd accepts no liability for any loss or damage of any nature arising from its use. At all times the content remains the property of Dataloft Ltd under copyright, and reproduction of all or part of it in any form is prohibited without written permission from Dataloft Ltd.

Date of publication: February 2021  
Analysis, editorial, design, graphics and charts by Dataloft.