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The **Halifax Annual Review of the Value of the Northern Ireland Housing Stock 2008** tracks the value of the private residential housing stock at a national and regional level. The review is based on data from the Halifax house price index database and the CLG.

Northern Ireland Private Housing Stock valued at £123bn in 2007

- The value of the Northern Ireland private housing stock rose by an estimated 15% in 2007.
- The value of the private housing stock in Northern Ireland has nearly tripled over the past five years.
- The value of the UK private housing stock increased by an estimated 9% in 2007 to £4.0 trillion.
- Northern Ireland had the biggest housing asset growth in the UK over both 5 and 10 years.

New research from Halifax estimates that the value of the Northern Ireland private housing stock rose by 15% (£16bn) in 2007 to a record £123 billion.

Over the past five years, the value of the Northern Ireland housing stock has nearly tripled, rising by 188% from £43bn in 2002, while during the past decade the Northern Ireland housing stock has increased in value by 404% from £24 billion in 1997. By comparison, the headline retail price index (RPI) has risen by 31% over the past ten years.

Northern Ireland housing performance best in the UK over 5 and 10 years

The value of the Northern Irish housing stock rose at the fastest pace in the UK over both the last five and ten years. Over five years, the UK's private housing stock increased in value by 56% to £4.0 trillion compared with a 188% rise in the value of the Northern Irish housing stock. On a ten year view, the value of the UK housing stock rose by 208%, well below the 404% rise in the value of Northern Irish housing assets.

UK household balance sheet strengthens again in 2007

The value of the UK private housing stock (£4.0 trillion) was 3.4 times the value of outstanding mortgage debt of £1.2 trillion at the end of 2007. Ten years ago, private sector housing assets were only 3.0 times higher than secured mortgage debt. **UK housing assets have increased by more than mortgage debt levels in each year since 1995.**

UK Housing equity rises by nearly £2 trillion over past decade

Housing equity - the value of housing assets less the total value of outstanding mortgage balances - has increased by nearly £2 trillion over the past ten years from £870bn in 1997 to £2.8 trillion in 2007. UK

housing equity increased by £198bn in 2007 and has averaged an annual increase of £185bn over the past five years.

Other Key Findings

Value of private residential housing (Tables 1 & 2)

- **Each region of the UK has seen at least a 180% increase in the value of its housing stock since 1997.** The value of the private housing stock has increased most in Northern Ireland (404%), Wales (223%) and the South West (222%) over the past decade.
- **In 2007 the fastest increase by UK region was in Scotland where the value of its housing stock rose by 16% to £247 billion,** followed by Northern Ireland with a 15% rise to £123bn.
- **The smallest percentage increase by region in 2007 was in Yorkshire & the Humber,** which saw a 5% rise in the value of its private housing stock to £248 billion.
- **Six regions of the UK now have a housing stock worth at least £250bn.** A decade ago in 1997 only the housing stock in the South East was worth more than £250bn.
- **36% of the value of the UK's private residential housing assets is concentrated in the South East (19%) and Greater London (17%).**

UK Household balance sheet (Table 3)

- **Housing equity across the UK was £2.8 trillion in 2007,** up from £2.6 trillion in 2006. In 1997 housing equity has £870bn.
- **The total value of UK private sector housing assets was equivalent to around 3.4 times the value of housing secured debt last year.** Ten years ago, private sector housing assets were 3.0 times greater than secured mortgage debt.
- **The value of UK housing assets increased by £318bn in 2007 significantly outpacing the £120bn increase in mortgage balances.** Housing assets have increased by more than mortgage debt levels in each year since 1995.
- **In the past ten years, UK housing assets have grown by 208% against a 178% rise in outstanding mortgage debt.** Household financial assets have increased by 69% over the period.

Martin Ellis, Chief Economist at Halifax, commented:

"Home owners in Northern Ireland have seen a significant increase in housing equity over the past decade because of the sustained and substantial rise in local house prices. These gains have been made across the region, leading to a strengthening in the household balance sheet of the majority of homeowners."

Table 1 - Value of Private Residential Housing Stock

	2007 £bn	2006 £bn	2002 £bn	1997 £bn
North	122	114	61	39
Yorks & the Humber	248	236	131	81
North West	354	335	191	118
East Midlands	238	213	164	79
West Midlands	317	293	204	108
East Anglia	367	341	243	114
South West	397	367	284	123
South East	746	678	549	256
Greater London	685	639	490	219
Wales	171	160	89	53
Scotland	247	213	118	87
Northern Ireland	123	107	43	24
UK	4,014	3,696	2,568	1,301

Source: Halifax, ONS

Table 2 - Change in Value of Private Residential Housing Stock

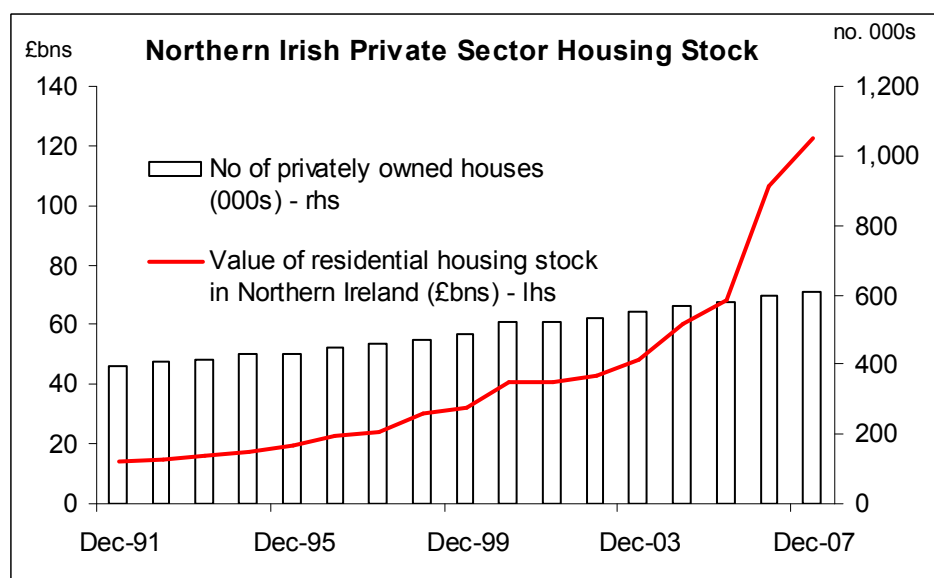
	% Change 1 year	% Change 5 years	% Change 10 years
North	7%	99%	218%
Yorks & the Humber	5%	89%	207%
North West	6%	85%	199%
East Midlands	12%	45%	201%
West Midlands	8%	55%	193%
East Anglia	8%	51%	221%
South West	8%	40%	222%
South East	10%	36%	192%
Greater London	7%	40%	212%
Wales	7%	92%	223%
Scotland	16%	110%	184%
Northern Ireland	15%	188%	404%
UK	9%	56%	208%

Source: Halifax

Table 3 – Value of UK Private Residential Housing Stock versus Household Debt

	Value of Private Residential Housing Stock £bns	Housing debt £bns	Ratio of Private Residential Housing Stock to debt
Dec-94	1,092	376	2.9
Dec-95	1,088	390	2.8
Dec-96	1,196	409	2.9
Dec-97	1,301	431	3.0
Dec-98	1,505	456	3.3
Dec-99	1,719	494	3.5
Dec-00	1,968	536	3.7
Dec-01	2,116	591	3.6
Dec-02	2,568	674	3.8
Dec-03	2,869	773	3.7
Dec-04	3,221	876	3.7
Dec-05	3,336	965	3.5
Dec-06	3,696	1,077	3.4
Dec-07*	4,014	1,197	3.4

Source: Halifax, ONS, Bank of England *estimate



EDITORS' NOTES:

Historical data from Communities and Local Government (CLG) on dwelling tenure by region has been used as a base for calculating the total value of the UK private residential housing stock. Halifax standardised house prices have been applied to the data to obtain regional valuations. Adjustments have been made to the calculations to match ONS national accounts data and for an assessment of the level of unfit housing. Home completions data from the CLG has been used to extend and extrapolate the housing stock data up until the end of 2007. Household debt data has been calculated using figures from the Bank of England showing total sterling net housing secured lending outstanding to individuals and housing associations.

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