

# Press Release

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Halifax has looked at the key trends and developments in the Northern Ireland housing market over the past 50 years. The research has been compiled using data from the Halifax's own extensive housing statistics database. The Halifax House Price Index is the UK's longest running monthly house price series with data covering the whole country going back to January 1983. Data has also been sourced from the Office for National Statistics, DSDNI (Department for Social Development in Northern Ireland) housing statistics and the Communities and Local Government department.

## **Long-Term Trends in the Northern Ireland Housing Market**

As we begin a new decade, Halifax has looked over the past 50 years and identified the key changes in the Northern Ireland housing market. The analysis starts in the 1950s, which was a time of significant social investment in the UK including housebuilding.

### **KEY FINDINGS**

#### **House Prices**

- **The average house price in Northern Ireland has increased by 183% since 1969 in real terms (i.e. after allowing for retail price inflation), at an average annual rate of 2.6%.**
- **House prices recorded their biggest increase in the last decade with a real rise of 75% during the 2000s; more than double the 33% increase in the 1990s.** The worst performing decade for house prices was the 1980s when prices fell by 22% in real terms.

#### **Rise of Owner-Occupation**

- **Owner-occupation in Northern Ireland increased by 26 percentage points from 46% in 1971 to 72% in 2008.** The sharpest rise in owner-occupation occurred in the 1980s following the introduction of the Right to Buy scheme.
- **The proportion of homes that is privately rented fell from 19% in 1971 to 11% in 2008.** The private rental sector contracted rapidly until the 1990s, declining to just 3% in 1991. However, since then the sector has grown steadily to reach 11% in 2008.

- **The proportion of the dwelling stock that is socially rented in Northern Ireland declined from 35% in 1971 to 17% in 2008.** Over the same period, the UK socially rented sector fell from 31% to 18%.

### Housebuilding

- **The number of houses built in Northern Ireland was an estimated 8,930 in 2009; 83% higher than the 4,890 built in 1959.** Housebuilding reached record levels during the 2000s, peaking at 17,960 units completed in 2006. Private sector completions also reached a record in that year (16,920). The rise in housebuilding has been driven by a significant rise in private sector completions.

### **Martin Ellis, housing economist at Halifax, said:**

"The last 50 years has witnessed some remarkable developments in the Northern Ireland housing market. There has been a significant shift towards owner-occupation with the majority of households now living in their own homes rather than renting. The level of housebuilding has risen sharply over recent decades, led by a significant increase in building by the private sector. No doubt, there will be further dramatic changes over the coming years, perhaps in ways that we are currently unable to foresee."

### **HOUSE PRICES**

**The average house price in Northern Ireland has increased in nominal terms over the past 40 years from £4,176 in 1969 to £144,968 in 2009.**

**The average price has risen by 183% since 1969 in real terms (i.e. after allowing for retail price inflation)<sup>1</sup>, at an average annual rate of 2.6%.** By comparison, UK prices increased by 174% at an annual average of 2.5% during 1969-2009. *(All house price figures stated below are expressed in real terms. This enables meaningful comparisons during a period when the general rate of inflation varied considerably. Retail price inflation was especially high during much of the 1970s and 1980s.)*

**House prices recorded their biggest increase in the last decade with a real rise of 75% during the 2000s; more than double the 33% increase in the 1990s.** The worst decade for house prices was the 1980s when prices fell by 22%.

**The biggest annual increase in the past 50 years was in 2006 when prices increased by 29% in real terms.** At the other end of the spectrum, 2008 was the worst year with prices down 23% on the previous year.

### **HOUSING TENURE**

**Owner-occupation in Northern Ireland increased by 26 percentage points from 46% in 1971 to 72% in 2008.** The sharpest rise in owner-occupation occurred in the 1980s following the introduction of the Right to Buy scheme, which helped to raise owner-occupation from 46% in 1971 to 66% in 1991. UK owner-occupation increased by 18 percentage points over the same period from 50% in 1971 to 68% in 2008.

**The proportion of the dwelling stock that is socially rented in Northern Ireland declined from 35% in 1971 to 17% in 2008.**

<sup>1</sup> Monetary - or nominal - house price figures have been adjusted to allow for general price inflation by applying the retail price index (RPI), in line with standard practice. The RPI has been chosen rather than any other inflation measure because it is the longest running series. It also incorporates housing costs unlike the much more recent consumer price index.

**The proportion of homes in Northern Ireland that is privately rented fell from 19% in 1971 to 11% in 2008.** The private rental sector contracted rapidly until the 1990s, declining to just 3% in 1990. However, since then the sector has grown steadily to reach 11% in 2008. The 1988 Housing Act has helped to expand the supply of private rented property through the creation of assured shortholds and tenancies in common.

## **HOUSEBUILDING**

**A total of 515,760 houses have been built in Northern Ireland in the past 50 years (1959-2009).**

**The number of houses built in Northern Ireland was an estimated 8,930 in 2009; 83% higher than the 4,890 built in 1959.** Housebuilding reached record levels during the 2000s, peaking at 17,960 units completed in 2006. Private sector completions also reached a record in that year (16,920).

**The rise in housebuilding has been driven by a significant increase in private sector completions.** Between 1959 and 2009, there was a 5,076 (206%) rise in the number of private sector completions. This more than offset the 1,037 (43%) fall in public sector completions. The government significantly reduced local authority housebuilding in the 1980s and building by housing associations has not risen sufficiently to compensate for this reduction. Accordingly, the proportion of all completions accounted for by the private sector increased from 50% in 1959 to 84% in 2009.

**– Ends –**

### **Editors' Notes:**

The research is intended to look at changing in households over past 50 years. However, due to issues of data availability the different data series used vary in length.

### **House Prices:**

Figures from the Halifax house price index have been used for 1983-2009. CLG house price data has been used for the period prior to 1983. Annual averages have been used throughout.

### **Housing Tenure:**

2008 Owner occupation figures have been derived using data from the 2008 DSDNI (Department for Social Development in Northern Ireland) housing statistics.

Owner occupation data has been sourced from CLG: Table 108: and table 801

<http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/householdcharacteristics/livetables/>

Based on UK dwelling stock with gaps in the data populated using estimates derived from UK household data (table 801).

### **Housebuilding:**

Completions data has been sourced from the CLG: Table: 247:

<http://www.communities.gov.uk/documents/housing/xls/140915.xls>

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**Table 1: Northern Ireland Real House Prices\* 1969-2009**

	Total % change	Average Annual % change
1969-1979	56	4.6
1979-1989	-22	-2.5
1989-1999	33	2.9
1999-2009	75	5.8
<b>1969-2009</b>	<b>183</b>	<b>2.6</b>

Sources: Halifax / Communities and Local Government

\* Monetary - or nominal - house price figures have been adjusted to allow

**Table 2: Northern Ireland dwelling stock by tenure**

	Owner Occupation		Social Housing		Private rented sector	
	Number 000s	%	Number 000s	%	Number 000s	%
1971	198	46	148	35	80	19
1991	376	66	177	31	20	3
2000	488	73	148	22	37	5
2007	523	73	121	17	69	10
2008*	522	72	123	17	83	11

Source: Communities and Local Government / DSDNI Northern Ireland housing statistics

**Table 3: Housebuilding in Northern Ireland: Permanent dwellings completed**

	Private	Public	Total	% Private	% Public
<b>1959</b>	<b>2,460</b>	<b>2,430</b>	<b>4,890</b>	<b>50%</b>	<b>50%</b>
1970	4,040	7,790	11,830	34%	66%
1980	3,570	2,890	6,460	55%	45%
1990	6,160	1,770	7,930	78%	22%
2000	10,420	1,000	11,420	91%	9%
2007	13,480	1,040	14,520	93%	7%
2008	9,660	1,140	10,800	89%	11%
<b>2009*</b>	<b>7,536</b>	<b>1,393</b>	<b>8,930</b>	<b>84%</b>	<b>16%</b>

Source: Communities and Local Government

\*Based on Experian forecast for Great Britain

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