

# Performance of the private rental market:



Belfast Metropolitan Area  
Annual Report, 2007

Housing  
Executive

*propertynews.com*

University of  
**ULSTER**



# Summary Report (2007)

## Key Facts:

### ***In the Belfast Metropolitan Area (BMA) as a whole:***

- The number of properties available to rent (on the PropertyNews website) steadily increased throughout 2007 (by 45% between quarter 1 and quarter 4).
- This increase was reflected across all dwelling types, however apartments showed the highest increase (54% between quarter 1 and quarter 4, 2007).
- Terraced properties (including townhouses) accounted for 47 per cent of dwellings let in 2007.
- Three-quarters (75%) of all properties let during 2007 were two or three bedroom dwellings.
- The average monthly rent for all dwellings let during 2007 was £577.
- Between the first and final quarters of 2007, the average rent for properties let increased by 1.4 per cent from £558 to £566.
  - ⇒ The largest increase in average rent was for apartments (5.4%)
  - ⇒ Rents for terraced houses (inc. townhouses) increased on average by 1.9 percent.

## Analysis of the data from the BMA submarkets reveals the following:

- The *Belfast City* rental market in 2007 was dominated by terraced/townhouses (53%).
- Although in *Belfast City Centre* 96 per cent of all properties let were apartments. The average rent for Belfast as a whole was £596 and for the City Centre, £670.
- In *Carrickfergus* apartments (39%) were the most prevalent property type in 2007. The average rental level was £482.
- In *Castlereagh* more than two-fifths (41%) of all properties let were semi-detached and the average rent for all properties was £565.
- In *Lisburn* the largest share of the privately rented properties let in 2007 comprised terraced/townhouses (38%). Overall the average rent in Lisburn was £531. This was the only part of BMA where rental levels fell between quarter 1 and quarter 4, 2007 (-3.2%).
- In *North Down* too terraced/townhouses formed the largest proportion (36%) of properties let during 2007. The average rent for properties let in North Down was £589.

## Conclusion

This first comprehensive analysis of the private rental market in BMA showed that in 2007 there were a growing number of properties to let. However, this increase in supply was matched by a growing demand which was reflected in a gentle upward drift in rental levels.



# Performance of the private rental market: Belfast Metropolitan Area, 2007

## 1. Introduction

The private rented sector is of growing importance as a housing tenure in Northern Ireland. The Housing Executive's 2006 House Condition Survey showed that the sector had grown by two-thirds over the previous five year period.

However, there has been relatively little information available on rental levels and lettings. Against this background and in its capacity as the Regional Strategic Housing Authority the Housing Executive formed a partnership with PropertyNews, whose website is increasingly recognised as providing the most comprehensive and up to date source of information on transactions in the private sector in Northern Ireland's housing market.

This report draws upon the University of Ulster's substantial analytical experience of the housing market to provide Northern Ireland's first detailed insight into the dynamics of the private rental market. It will be of interest to both housing policy makers and practitioners, and in particular to landlords, investors and lenders and of course those seeking to satisfy their housing need in the private rented sector.

The report specifically considers the market performance of properties in the Belfast Metropolitan Area for 2007. The analysis is based on a sample of 5358 rental transactions. Performance is measured by the number of properties let and the average monthly rent. Analysis is provided by location, property type and number of bedrooms.

## 2. The residential rental market in the Belfast Metropolitan Area

### The number of properties let

The number of properties let in 2007 increased\* during the year from 1156 in quarter 1 to 1676 in quarter 4, an increase of 45 per cent (Table 1).

### Properties let by property type

There was an increase in the number of dwellings let for all property types. The apartment sector experienced the biggest growth (54%) and detached dwellings the lowest (26%) (Table1).

**Table 1: Dwellings let in 2007 by property type**

Property Type	Q1	Q2	Q3	Q4	% change between Q1 and Q4
Apartment	334	304	437	513	54%
Terrace/ townhouse	510	570	673	748	47%
Semi-detached	212	187	186	289	36%
Detached	100	81	88	126	26%
<b>Total</b>	<b>1156</b>	<b>1142</b>	<b>1384</b>	<b>1676</b>	<b>45%</b>

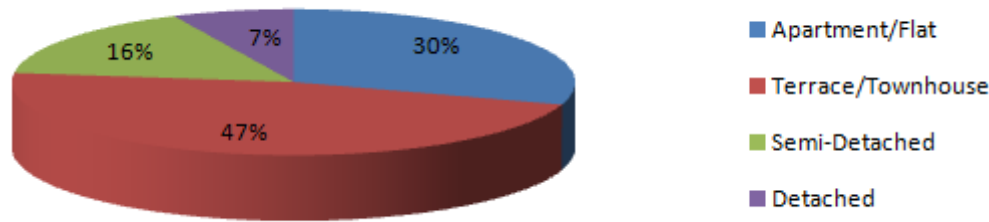
Almost half (47%) of the properties let during 2007 were terraced/townhouses compared to less than one-third (30%) apartments (See Figure 1).

*\*It is difficult to know how much of this growth reflected a genuine increase in supply, and how much it reflects the growing popularity of the PropertyNews.Com website as a means of letting property.*



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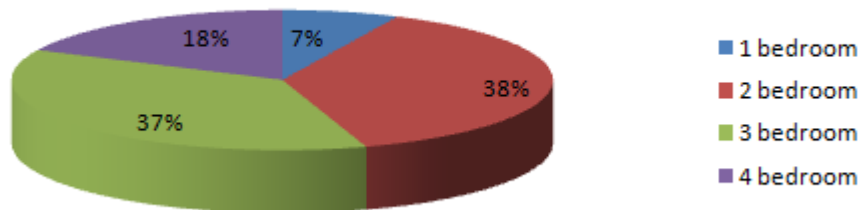
Figure 1: Share by property type in the Belfast Metropolitan Area



## Properties let by number of bedrooms

The data for properties let during 2007 was also analysed by number of bedrooms. More than two-thirds of all properties let had 2 bedrooms (38%) or 3 bedrooms (37%). There were also a significant number (18%) of properties with four or more bedrooms (Figure 2).

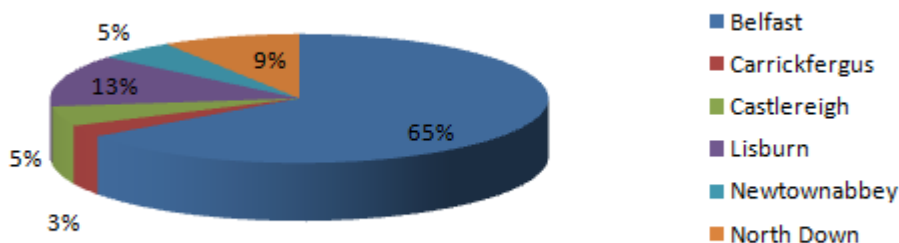
Figure 2: Share by number of bedroom in the Belfast Metropolitan Area.



## Properties let by District Council Area

The number of properties let in 2007 varied by District Council. As would be expected the highest number of properties were let in Belfast (65%). The other five District Councils had a much smaller share ranging from Newtownabbey (3%) to Lisburn (13%) (Figure 3).

Figure 3: Share of rental units in the Belfast Metropolitan Area by district council areas.



There were also variations by property type in the rental stock by district council area. In Belfast, terraced/townhouses were dominant (53%) followed by apartments (33%). In Carrickfergus, in contrast, higher proportions of private lets were apartments (39%). In Castlereagh a greater share of properties let were semi-detached (41%). In the remaining three District Councils, as in Belfast, the predominant property type let was terraced/townhouses (see Table 2).



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**Table 2: Market share of property types by district council areas**

Administrative Districts	Apartment	Terrace/townhouses	Semi-detached	Detached
<b>BMA</b>	30%	47%	16%	7%
<b>Belfast</b>	33%	53%	11%	3%
<b>Carrickfergus</b>	39%	34%	14%	13%
<b>Castlereagh</b>	24%	23%	41%	12%
<b>Lisburn</b>	20%	38%	25%	17%
<b>Newtownabbey</b>	28%	40%	23%	9%
<b>North Down</b>	23%	36%	24%	17%

## Rental levels by District Council Areas

The average rent per month for all properties let in the Belfast Metropolitan Area for 2007 was £577. Average rents rose from £ 558 in the first quarter of 2007 to £ 594 in the second quarter, stabilized in the third quarter at £ 593, but declined to £566 in quarter 4. It is difficult to say whether the final quarter figure was evidence of easing market pressure due to seasonality effects or the start of a longer term trend (Table 3).

**Table 3: Average monthly rent by district council area**

Administrative Districts	2007 Q1	2007 Q2	2007 Q3	2007 Q4	2007 Average Rent	% Change between Q1 and Q4
<b>BMA</b>	£558	£594	£593	£566	£577	1.4%
<b>Belfast</b>	£570	£609	£613	£587	£596	3.0%
<b>Carrickfergus</b>	£477	£440	£485	£488	£482	2.3%
<b>Castlereagh</b>	£552	£579	£560	£569	£565	3.0%
<b>Lisburn</b>	£532	£535	£554	£515	£531	<b>-3.2%</b>
<b>Newtownabbey</b>	£490	£493	£469	£512	£491	4.5%
<b>North Down</b>	£551	£653	£643	£566	£589	2.7%

Average monthly rent was highest in the Belfast City Council area (£596) followed by the North Down Council area (£589) (See Table 3).

Overall, there has been a marginal appreciation in rents between the first and the final quarter of 2007 (1.4%). However, the rate of increase varied across the six district council areas, being highest in Newtownabbey with a 4.5% increase in average rent over the year, while Lisburn experienced a decline of 3.2%. The Belfast City Council area, the largest by volume, experienced a 3% rate of increase in average monthly rent over the year, as did Castlereagh. In North Down there was a 2.7% growth in average monthly rental and in Carrickfergus a 2.3% increase for 2007.



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## Rental levels by property type

Changes in rental levels varied by property type. Between quarter 1 and quarter 4 apartments experienced the strongest growth in average monthly rent (5.4%) with the terraced/townhouses sector increasing by 1.9%. In contrast, semi-detached and detached properties experienced a fall of 0.9% and 3.8% in average monthly rent between the first and final quarter 2007 (Table 4).

**Table 4: Average rent per month by property type**

Property Type	Q1	Q2	Q3	Q4	Average monthly rent 2007	% change between Q1 and Q4
Apartment	£540	£569	£579	£569	£566	<b>5.4%</b>
Terrace/townhouse	£536	£593	£593	£546	£568	<b>1.9%</b>
Semi-detached	£575	£563	£557	£570	£567	<b>-0.9%</b>
Detached	<b>£689</b>	<b>£764</b>	<b>£733</b>	<b>£663</b>	<b>£706</b>	<b>-3.8%</b>

For the apartment sector (Table 6), the highest average rental per month was in the Belfast City Council area (£592). The lowest average rent for apartments was in Newtownabbey (£475) and Lisburn (£471). In the terrace/townhouse sector, the Belfast City Council area again commanded the highest rentals (£585 per month). The district councils with the lowest average monthly rent in the terrace/townhouse sector are in Newtownabbey (£458) and Carrickfergus (£424).

Within the semi-detached sector a similar pattern to the terrace/townhouse sector was apparent, with Belfast commanding the highest average rents (£599 per month). The lowest rental levels were to be found in Newtownabbey (£514) and Carrickfergus (£470). The only sector where Belfast lagged in rental performance was for detached property, where North Down (£797 average monthly rent) outperformed all other district councils (Table 5).

**Table 5: Average monthly rent by property type by district council area**

Districts	Apartment	Terrace/townhouse	Semi-detached	Detached	All Property Type
<b>BMA</b>	£566	£568	£567	£706	£577
<b>Belfast</b>	£592	£585	£599	£787	£596
<b>Carrickfergus</b>	£504	£424	£470	£577	£482
<b>Castlereagh</b>	£529	£562	£567	£636	£565
<b>Lisburn</b>	£471	£520	£538	£612	£531
<b>Newtownabbey</b>	£475	£458	£514	£633	£491
<b>North Down</b>	£517	£561	£544	£797	£589

## Rental levels by number of bedrooms

The average monthly rent of 1, 2 and 3 bedroom properties for Belfast Metropolitan Area as a whole was £454, £516 and £563 respectively. In contrast, the average rent of properties with 4 or more bedrooms was significantly higher (£780). In terms of rental growth, 2 bedroom properties experienced the greatest increase (5.3%) over the year. Whereas the rate of increase for 1, 3 and 4 bedroom properties was lower (Table 6).



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**Table 6: Average monthly rent by number of bedrooms in the Belfast Metropolitan**

Number of Bedrooms	Average monthly rent				Average Rent 2007	% Change between Q1 and Q4
	Q1	Q2	Q3	Q4		
1 bedroom	£428	£463	£510	£435	£454	1.6%
2 bedroom	£499	£515	£518	£525	£516	5.3%
3 bedroom	£556	£562	£566	£565	£563	1.6%
4/4+ bedroom	£740	£815	£796	£760	£780	2.7%

## 3. Residential rental market in Belfast City Council Area

This section examines the residential market in the Belfast City Council area in greater detail and provides an analysis of average monthly rent in the following geographical sectors: City Centre, North Belfast, South Belfast, East Belfast and West Belfast. The largest rental market in 2007 within the Belfast city council area was South Belfast with 44% of properties in this sample reflecting the popularity of this area notably in the student sector. East Belfast (29%) is the next most important geographical market followed by West Belfast (14%) and North Belfast (9%). Somewhat surprisingly, given the proliferation of new developments in recent years, Belfast City Centre only accounted for 4% of rental units in this sample.

### Properties let by property type

In each of the sectors of Belfast, apart from the city centre, terraced/townhouses were the most significant property type for dwellings let in 2007. In the City Centre lettings were dominated by apartments (96%). The second highest proportion of apartments was in South Belfast (34%) followed by East Belfast where apartments accounted for 30% of the stock let during 2007. The area with the highest proportion of lettings which were semi-detached was North Belfast (23%) (Table 7).

**Table 7: Share by property type in Belfast City Council area.**

Market Area	Apartment	Terrace/ Townhouses	Semi-detached	Detached	Total
Belfast City Centre	96%	4%	-	-	100%
North Belfast	27%	44%	23%	6%	100%
South Belfast	34%	56%	7%	3%	100%
East Belfast	30%	53%	13%	4%	100%
West Belfast	19%	63%	14%	4%	100%

### Properties let by number of bedrooms

In Belfast City Centre, the majority of the properties let were 2 bedroom units (78%). In North, East and West Belfast more than 40% of the stock let was comprised of 2 bedroom units, whereas, in the South of the city, there were similar levels of 2 (32%), 3 (27%) and 4/4+ bedroom dwellings (34%) (Table 8).



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**Table 8: Share by number of bedrooms in Belfast City Council area**

Administrative Districts	1 bedroom	2 bedroom	3 bedroom	4/4+ bedroom
Belfast City Centre	10%	78%	12%	-
North	7%	47%	28%	18%
South	7%	32%	27%	34%
East	4%	51%	36%	9%
West	3%	41%	42%	14%

## Rental levels – Belfast City Council Area

The average monthly rent in the Belfast City Council area was £596 in 2007. South Belfast had the highest rental level (£686) closely followed by Belfast City Centre (£670) with East, West and North Belfast characterised by significantly lower rental levels (£522, £515 and £491) (Table 9).

For the apartment sector, the highest average monthly rental was in Belfast City Centre (£669) followed by South Belfast (£626). In contrast, the average rental levels for apartments were broadly similar (see Table 9).

In the terraced/townhouse sector, South Belfast commanded the highest average monthly rent (£701) followed by Belfast City centre (£700). For semi-detached properties, South Belfast again had the highest average monthly rent (£750).

**Table 9: Average monthly rent by property type in Belfast City Council area**

Location	Average monthly rent 2007				Avg. monthly rent 2007
	Apartments	Terrace/town house	Semi-detached	Detached	
Belfast City Council	£592	£585	£599	£787	£596
Belfast City Centre	£669	£700	-	-	£670
North Belfast	£522	£454	£480	£664	£491
South Belfast	£626	£701	£750	£950	£686
East Belfast	£536	£492	£563	£705	£522
West Belfast	£542	£486	£542	£727	£515

## Methodology and Sample Size

The statistics are based on properties advertised on PropertyNews.com and let during 2007. The average rental figures represent mean average asking rent (per month) as advertised. The average quarterly sample size for properties during 2007 was 1300. Let properties are those that were let during the quarter.

## Disclaimer

This report is prepared from information that we believe is collated with care, but we do not make any statement as to its accuracy or completeness. We reserve the right to vary our methodology. Persons seeking to place reliance on any information contained in this report for their own or third party commercial purposes do so at their own risk.

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