

At a Glance PRIVATE RENTAL MARKET PERFORMANCE 2024

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INTRODUCTION

During 2024, Northern Ireland's rental market continued to face significant challenges, with the impact of a persistent supply crunch, rising cost pressures, and economic uncertainty shaping market trends. The ongoing strain on household incomes, coupled with elevated mortgage rates, contributed to further rental price inflation, putting additional pressure on both tenants and landlords.

As highlighted in previous reports, the rapid escalation of average rents persisted into 2024, reflecting a market struggling with affordability constraints and increasingly limited tenure options. The combination of rising landlord costs, high demand, and supply shortages continued to drive upward pressure on rents, reinforcing concerns about market sustainability. Despite these pressures, evidence from the 2024 rental index suggests that the rental market may be approaching an equilibrium. While strong rental growth was observed across most regions, early indications suggest a potential cooling as the year progressed. Factors such as seasonal adjustments, potential stabilisation in supply, and shifts in tenant demand may signal a transition towards more sustainable pricing trends in 2025.

The statistics presented in this annual summary report are based on a sample of 15,366 rental transactions recorded on PropertyNews.com and the Housing Executive's 'LHA dataset for Housing Benefit' database in 2024.

As noted in previous reports, at the start of 2020 the Housing Executive's Housing Benefit Unit made a policy decision to reduce the overall volume of data collected for LHA purposes by approximately one third. In addition to this, from Q1 2022, methodological changes were implemented in the data collection, cleaning and merging of the LHA and PropertyNews.com datasets and in the reporting process. More recently, a change in the volume of source data from mid-2024 onwards will affect reported transaction levels.

The changes outlined will have impacted on the overall size of the half-yearly samples from H1 2020, subsequently from H1 2022, and again from mid-2024. This means that transaction numbers reported between 2020 and 2024 are not directly comparable with each other or with previous totals. Caution should therefore be exercised when considering changes over time in the number of transactions captured in the analysis, and/or when drawing market transaction comparisons.





KEY FINDINGS

- The number of rental transactions captured by this research totalled 15,366 in 2024. Although this marked a significant increase from 11,209 in 2023, the sharp rise largely reflects an expansion in the dataset rather than a fundamental shift in market activity.
- Average rents in Northern Ireland rose by 7.6% in 2024, reaching £896 per month, continuing the upward trajectory from £833 in 2023.
- Belfast recorded an annual rent increase of 8.3%, with average rents rising from £936 in 2023 to £1,014 in 2024, maintaining the highest rental values across the region.
- Outside Belfast, the average monthly rent increased by 7.5% to £835, reflecting broad-based growth across all regional markets.
- The Rental Performance Index (NIPRI) climbed to 167.4 in Q4 2024, up 8.5 percentage points from Q4 2023, reflecting continued rental price inflation despite signs of market cooling.
- At LGD level, regional markets exhibited varied growth, with Antrim & Newtownabbey (10.7%), Fermanagh & Omagh (10.1%), and Mid Ulster (9.7%) experiencing the strongest annual rent increases, while Armagh, Banbridge & Craigavon (3.4%) and Lisburn & Castlereagh (7.0%) saw more moderate growth.
- Larger rental properties (4+ bedrooms) experienced the highest annual growth at 9.4%, reaching £1,309 per month, indicating strong demand for larger homes amid shifting market dynamics.
- Quarterly rental trends indicate peak pricing in Q3 2024 (£925), followed by a slight decline to £886 in Q4, reinforcing seasonal adjustments and possible signs of market stabilisation.

Number of rental transactions per annum

The annual rent statistics for 2024 are based on a sample of 15,366 rental market listings, reflecting a significant increase in reported transactions. This might appear to mark a break from the year-on-year trend of annual transactional decline, with rental transactions rising sharply from 11,209 in 2023 to 15,366 in 2024. However, although 2023 saw a modest 1.4% increase in transactions and a slight improvement in stock flow, the large increase in 2024 is primarily due to an expansion in the data sample over the second half of the year, rather than a fundamental shift in market conditions. The volume of rental inventory remains relatively stable, suggesting that improvements in stock flow may be linked to landlord retention and the re-listing of properties due to tenant arrears or landlords adjusting rents to meet rising costs.

Note: The increased number of reported transactions provides a broader view of the rental sector and mainly reflects a larger dataset rather than a surge in real market activity.

FIGURE 1 Annual number of rental transactions in the survey sample, 2013-2024

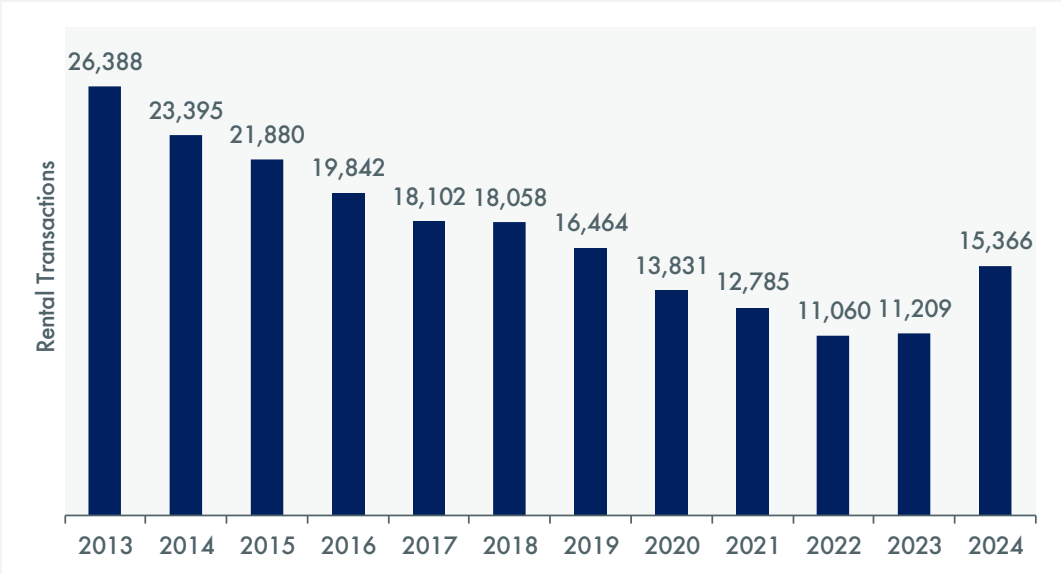


FIGURE 2

ANNUAL VARIANCE IN ANNUAL RENTS

(Comparing 2024 with 2023)

Rental Price Annual Percentage Change

3.0 - 4.4%	7.5 - 8.9%	
4.5 - 5.9%	9.0 - 10.4%	
6.0 - 7.4%	10.5 - 11.9%	

Mid and East Antrim

Average rent 2024	£767
Average rent 2023	£706
Annual variance	8.6%

Northern Ireland

Average rent 2024	£896
Average rent 2023	£833
Annual variance	7.6%

Antrim and Newtownabbey

Average rent 2024	£815
Average rent 2023	£736
Annual variance	10.7%

Belfast

Average rent 2024	£1,014
Average rent 2023	£936
Annual variance	8.3%

Causeway Coast and Glens

Average rent 2024	£770
Average rent 2023	£706
Annual variance	9.1%

Derry and Strabane

Average rent 2024	£755
Average rent 2023	£698
Annual variance	8.2%

Fermanagh and Omagh

Average rent 2024	£676
Average rent 2023	£614
Annual variance	10.1%

Mid Ulster

Average rent 2024	£722
Average rent 2023	£658
Annual variance	9.7%

Armagh, Banbridge and Craigavon

Average rent 2024	£736
Average rent 2023	£712
Annual variance	3.4%

Lisburn and Castlereagh

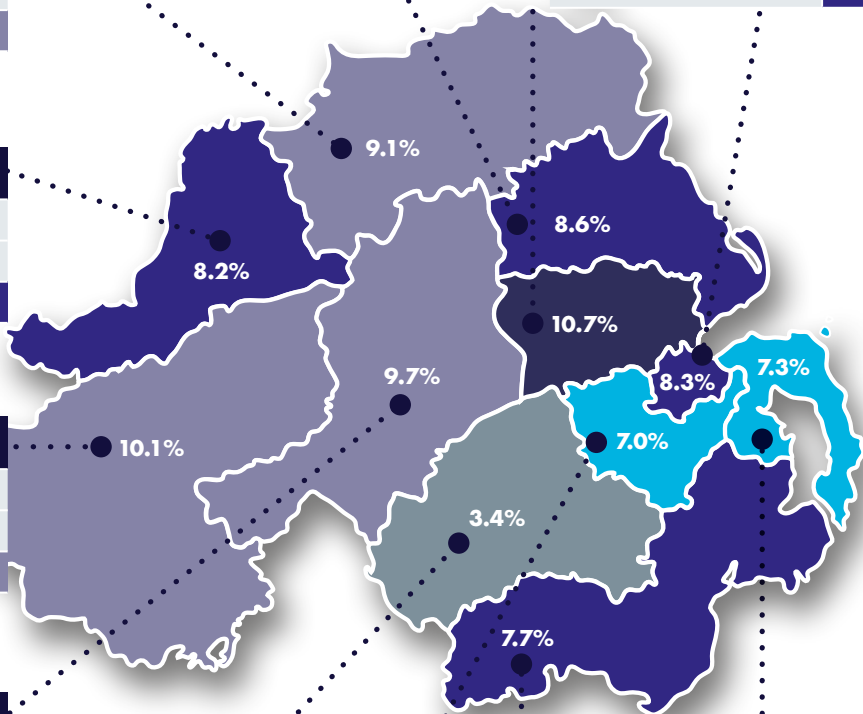
Average rent 2024	£959
Average rent 2023	£896
Annual variance	7.0%

Ards and North Down

Average rent 2024	£970
Average rent 2023	£904
Annual variance	7.3%

Newry, Mourne and Down

Average rent 2024	£837
Average rent 2023	£777
Annual variance	7.7%



Northern Ireland Rents in 2024

The Northern Ireland rental market saw a notable increase in average rents in 2024, rising 7.6% year-on-year from £833 in 2023 to £896 in 2024. This upward trend was reflected across all local districts, with Belfast maintaining the highest average rent at £1,014, an 8.3% increase from £936 in 2023. Antrim and Newtownabbey experienced the most significant rise, with rents increasing by 10.7% to £815, while Fermanagh and Omagh also saw a strong 10.1% growth, reaching £676. Other areas with notable increases include Mid Ulster (9.7%), Causeway Coast and Glens (9.1%), and Mid and East Antrim (8.6%), indicating sustained demand across various regions. The more moderate increases in Armagh, Banbridge and Craigavon (3.3%) and Lisburn and Castlereagh (7.0%) suggest varied market pressures, possibly influenced by supply constraints or localised economic factors. The data highlights continued upward pressure on rental prices, driven by rising demand, limited housing stock, and broader economic conditions affecting the affordability and accessibility of rental properties across Northern Ireland.

Average NI Rent by Property Type

While the figures for 2024 mark a continued upward trend, with a 7.6% increase in the average monthly rent (from £833 in 2023 to £896 in 2024) the rate of growth has moderated compared to 2023's 9.3% increase from £762 in 2022.

Across property types, strong annual growth was recorded, with the terrace/townhouse sector seeing the highest increase at 8.4%, rising from £812 in 2023 to £880 in 2024. Apartments followed closely with an 8.1% rise to £857, reflecting continued demand for this property type. Meanwhile, semi-detached properties saw a 6.4% increase to £898, and the detached sector experienced a 6.7% rise to £1,057, remaining the most expensive rental category. Although all property types saw rental price inflation, the pace of increase was slightly lower than in 2023, particularly in the semi-detached sector, which had previously recorded a 10.5% jump. Nonetheless, the statistics show sustained upward pressure on rents across all sectors, with economic factors and supply constraints continuing to influence rental price growth in 2024.

TABLE 1 Annual Average Rent by Property Type, Northern Ireland, 2020-2024						
Property Type	2020	2021	2022	2023	2024	Δ 2023-2024
Apartment	£648	£695	£724	£793	£857	8.1%
Terrace/Townhouse	£641	£688	£753	£812	£880	8.4%
Semi-detached	£649	£710	£764	£844	£898	6.4%
Detached	£785	£884	£928	£991	£1,057	6.7%
All	£658	£709	£762	£833	£896	7.6%

Δ denotes percentage change



Average NI Rent by Number of Bedrooms

When analysed by number of bedrooms, 2024 rental prices in Northern Ireland continued to increase across all property sizes, though at a slightly more moderate pace compared to 2023. The average rent for one-bedroom properties rose by 6.2% to £672, following an 8% increase in 2023. Two-bedroom properties saw a 7.6% rise to £834, a slower growth rate compared to 2023's 11.7% jump, suggesting a potential stabilisation in this segment.

Three-bedroom properties experienced a 6.8% increase to £879, again showing a more tempered rise after the 11% growth in 2023. The four-bedroom or larger category, however, saw the most significant increase in 2024, rising by 9.4% to £1,309, compared to a 4.5% increase in 2023. This surge indicates strong demand for larger homes, possibly driven by lifestyle shifts or a preference for more space amid changing economic conditions. Overall, the rental market in 2024 continued its upward trend, albeit at a slower pace for most properties; the exception was larger homes, which saw accelerated rental growth.

TABLE 2 Annual Average Rent by Property Size, Northern Ireland, 2020-2024						
No. of Bedrooms	2020	2021	2022	2023	2024	Δ 2023-2024
1 bedroom	£513	£557	£586	£633	£672	6.2%
2 bedrooms	£605	£653	£694	£775	£834	7.6%
3 bedrooms	£635	£697	£741	£823	£879	6.8%
4+ bedrooms	£971	£1,046	£1,145	£1,197	£1,309	9.4%
All	£658	£709	£762	£833	£896	7.6%

Δ denotes percentage change

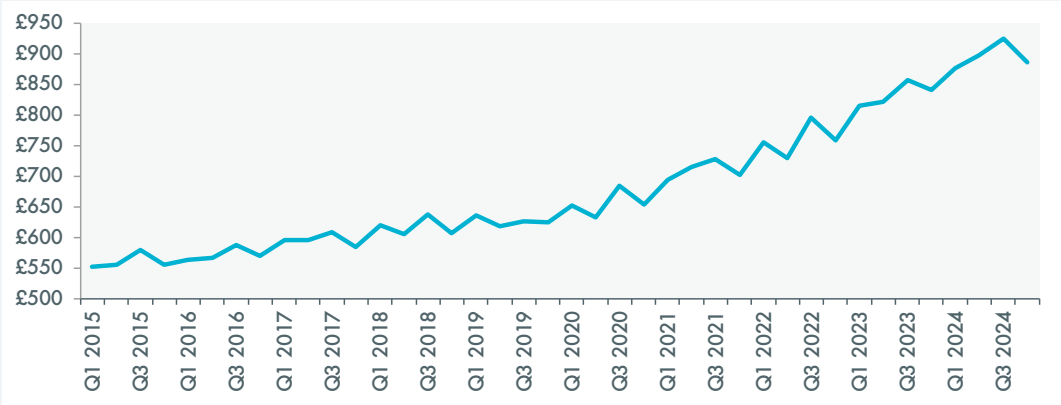
Average NI Rent by year and quarter

Figure 3 illustrates the continued upward trajectory of average rents in Northern Ireland, with 2024 maintaining the long-term growth trend. However, the pattern of rental increases throughout the year shows some seasonal variations.

In 2023, rents experienced a sharp acceleration in Q1 to £814, followed by a steady upward movement, peaking at £856 in Q3, before dipping slightly in the quieter Q4, to £841. In 2024, this upward trend persisted, with Q1 rents rising to £876, reflecting a 7.6% year-on-year increase from Q1 2023. Growth continued into Q2, reaching £897, before peaking at £925 in Q3, marking the highest quarterly average rent recorded. However, following historical trends, Q4 2024 saw a slight decline to £886, although this remains higher than Q4 2023 (£841), representing a 5.3% annual increase.

Overall, the statistics indicate sustained rental demand throughout 2024, with Q3 again marking the peak rental period, followed by a seasonal adjustment in Q4. The higher year-on-year increases across all quarters suggest ongoing pressures on affordability and supply,

FIGURE 3 Average Rent by Quarter, Northern Ireland, 2015-2024



REGIONAL PERFORMANCE BASED ON HOUSING MARKET AREAS

Regional analysis using Housing Market Areas (HMAs) highlights a continued trend of strong rental growth across most areas in 2024, though some regions experienced more moderate increases compared to 2023.

The Belfast Metropolitan HMA saw an average rent increase of 7.5% to £963, following a 9.7% rise in 2023, indicating continued but slightly slower growth. The Craigavon HMA experienced a more modest increase of 3.2% to £735, compared to 10.8% in 2023, suggesting a possible stabilisation in this area. Meanwhile, Dungannon HMA saw the largest increase, up 13.3% to £758, marking a notable acceleration from its 4% growth in 2023.

In the West, Cookstown HMA rose by 5.4% to £685, a slower growth rate than the 8% increase in 2023. The Fermanagh HMA saw a significant 12.1% rise to £716, a notable jump from the modest 2.4% increase in 2023, reflecting stronger demand pressures in this region. The Omagh HMA continued its upward trend, increasing by 5.7% to £594, following a 2.1% rise in 2023, showing slightly stronger rental growth this year.

To the South, the Newry HMA recorded strong gains, rising by 10.5% to £853; this built upon an 8.2% increase in 2023, indicating continued demand and price pressures. In the North, the Ballymena HMA saw a 12.2% increase to £756, significantly higher than 2023's 6.6% growth, reflecting a sharp rise in rental costs. The Derry HMA climbed by 7.5% to £763, showing steady rental inflation, while the Causeway Coast HMA increased by 9.1% to £770, following strong growth of 14.2% in 2023, suggesting that rental price momentum remains high in this region. Meanwhile, Strabane HMA, which saw negative growth of -1.7% in 2023, rebounded with a modest 3.3% increase to £571, signalling some recovery in rental demand.

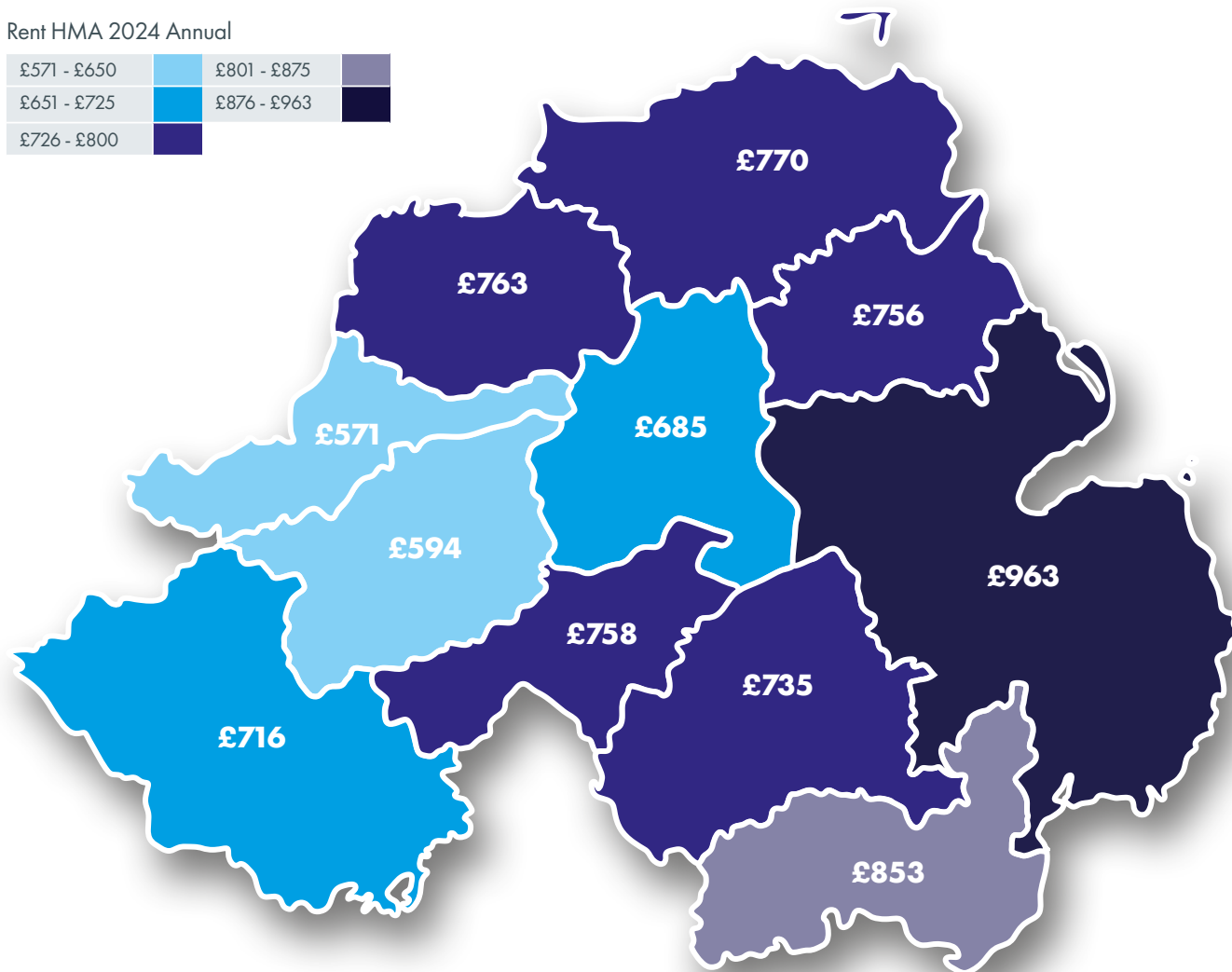
Overall, rental price growth remained strong across Northern Ireland in 2024, with some regions accelerating (Fermanagh, Dungannon, and Ballymena), while others (Craigavon and Cookstown) saw more moderate increases compared to 2023. The data suggests continued affordability challenges, with rents rising sharply in both urban and rural HMAs.



FIGURE 4 Rental Performance by functional Housing Market Areas (HMAs), 2024

Rent HMA 2024 Annual

£571 - £650	£801 - £875
£651 - £725	£876 - £963
£726 - £800	



¹ The research identified eleven broad housing market areas within Northern Ireland. See: www.nihe.gov.uk/getattachment/825be76f-2e80-4116-88e5-98fc15c983df/Mapping-Northern-Irelands-Housing-Market-Areas.pdf

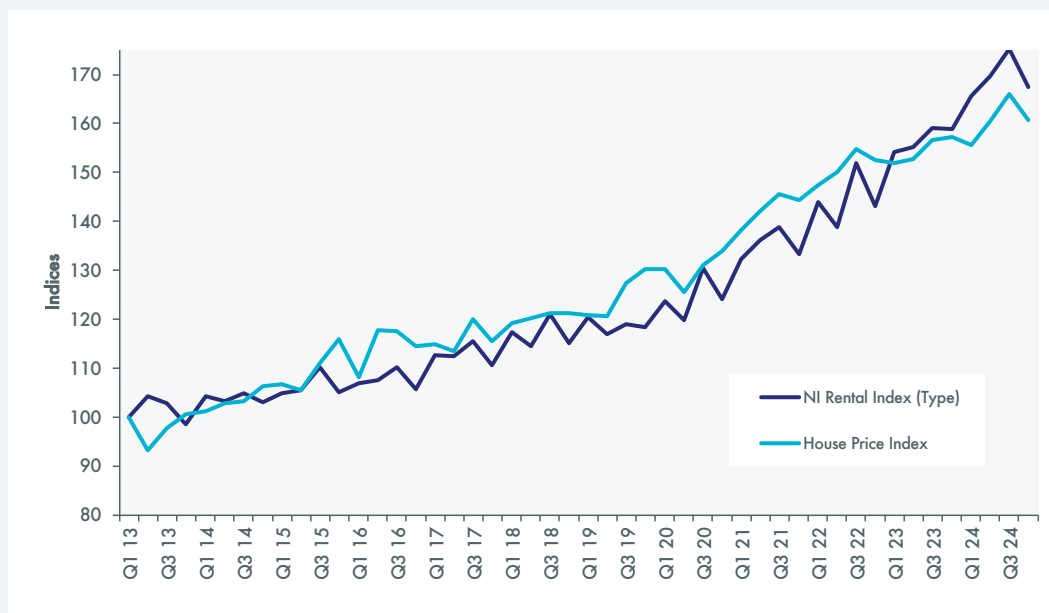
THE NORTHERN IRELAND PRIVATE RENTAL INDEX

The Northern Ireland Private Rental Index (NIPRI) measures the weighted change in average rents by property type against a base quarter (Q1 2013). As of Q4 2024, the index stands at 167.4, reflecting an 8.5 percentage point increase from Q4 2023.

In terms of trend, the rental market in 2024 exhibited strong growth in the first three quarters and recorded a sharp increase in rents compared to house prices, reinforcing the growing affordability challenge in the rental sector. In Q1 2024, the index surged to 165.7, reflecting one of the sharpest quarterly increases recorded in recent years. Growth continued into Q2 2024 but at a slower pace, with the index reaching 169.6. In the third quarter, the index peaked at 175.2, marking the highest recorded rental price level for the year. Over the final quarter, Q4 2024, the index declined to 167.4, suggesting that while upward pressure on rents persisted throughout the year, the final quarter showed a seasonal slowdown or may indicate early signs of a market adjustment towards stabilisation.

Compared with the House Price Index (HPI) over the same period, the HPI exhibited steady growth but did not mirror the volatility of the rental index. Historically, rents and house prices moved in parallel, but 2024 saw a sharper divergence, with rents surging ahead for most of the year before declining in Q4. The trends show that the rental index continues to significantly outpace house price growth, highlighting the ongoing supply-demand imbalance in the rental market. Compared to rents, house prices demonstrated a more stable growth pattern, reinforcing the notion that while the rental market is experiencing fluctuations, the housing market remains steadier, demonstrating resilience despite fluctuations in the rental sector. Going into 2025, it will be crucial to monitor whether the Q4 decline in rents marks a temporary seasonal shift or the start of a more sustained trend toward rental price stabilisation.

FIGURE 8 Rental Index v House Price Index trend, Q1 2013-Q2 2024



SUMMARY

Previous editions of the rental survey have highlighted the challenges posed by persistent economic headwinds, with rising mortgage costs, inflationary pressures, and supply constraints shaping market dynamics. The 2024 analysis reaffirms these trends, with strong rental price growth across most market segments, reflecting continued supply-demand imbalances. Average rents have reached new highs across many regions, reinforcing concerns about affordability, rental inventory, and tenure security.

However, 2024 data suggest some improvements in stock flow, driven by landlord retention and an increase in property re-listings, often linked to tenant arrears or landlords adjusting rental income to cover rising costs. While this has contributed to further rental inflation, it also indicates an equilibrium price adjustment, influenced by both macroeconomic trends and sector-specific factors.

Looking ahead, early signals of market cooling are emerging. A slowdown in inflation, alongside a stabilisation in mortgage interest rates, may encourage greater competitiveness in the sales market, potentially leading to reduced rental demand. If these trends hold, they could ease price pressures and support a more sustainable rental market trajectory into 2025.

