Performance of the private rental market in Northern Ireland

Summary Research Report
July - December 2013

Housing Executive
The Regional Housing Authority

propertynews.com

University of ULSTER

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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. The report does not constitute legal or other professional advice. 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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1.0 Introduction

The continued growth of the Northern Ireland rental market means there remains considerable interest and debate on the viability and sustainability of the private rental market. This report focuses on the performance of the private rental market in Northern Ireland during the second half (July-December) of 2013. The report analyses trends in the private rental sector at district council level during this six month period. Section 2 provides a brief overview of the methodology. Section 3 provides an insight into the number of properties let in Northern Ireland by property type and number of bedrooms as well as the average monthly rent by property type, number of bedrooms and location. The overall performance of the private rental market is measured and presented by weighted rental indices. Section 4 examines rental performance within the Belfast City Council area. A rent grid is presented to highlight variance in rents across the wider Belfast region at postcode district level and by number of bedrooms. Section 5 analyses regional rental performance at the district council level by number of properties let and the average monthly rent by property type and number of bedrooms. Section 6 offers brief conclusions.

2.0 Methodology

The Northern Ireland rent index is a tool designed for practical application by policy makers and stakeholders. For this reason, methodological simplicity and transparency are important. The research has combined rental data from PropertyNews.com with NIHE rent data gathered by staff in order to calculate the Local Housing Allowance received for the administration of private sector housing benefit. In order to combine the data sets, the NIHE rent amounts have been adjusted to the preferred monthly frequency metric and adjusted upward by property type to be inclusive of rates.

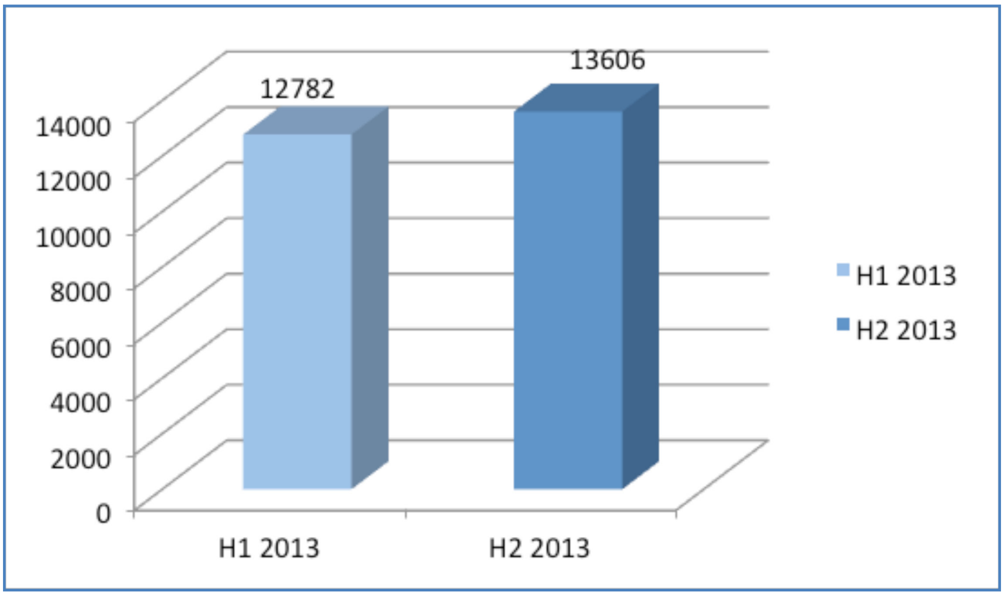
The statistics presented in this report are premised on a sample of 13,606 rental transactions recorded on PropertyNews.com and NIHE (Housing Benefit in the PRS) database for the second half of 2013. The rental figures represent the average asking rent (per month) as advertised. Rented properties are those that were let during the specified time period. The data has been cleansed to remove outliers, invalid observations, multiple entries and anomalies. The overall performance of the private rental market is measured by two weighted rental indices, one reflecting the weighted average by property type and the other by number of bedrooms. The indices measure change in average rent and are set to a base value of 100 for the first quarter of 2013.

3.0 Rental Performance in Northern Ireland

3.1 Distribution of Properties Let in Northern Ireland

During the period July-December 2013 there were **13,606** rental transactions in the private rented sector in Northern Ireland, an increase of 6.4 per cent on the first half of 2013 (Figure 1).

Figure 1 Number of dwellings let across Northern Ireland



Analysis by property type indicates that the market share is dominated by the terrace/townhouse and apartment sectors, which together account for almost 70 per cent of the total rental activity. Table 1 illustrates that the terrace/townhouse sector (40%) is the largest sector and the number of properties let in this sector has increased by 13 per cent on the previous 6 months. Apartment properties are the next largest group accounting for 29 per cent of rental lettings. Semi-detached (18%) and detached (13%) dwellings account for the remaining third of rental transactions, although the market share of semi-detached properties has remained unchanged, the number let increased by approximately 9 per cent on the previous 6 month period.

Table 1 Properties let by Type

Property Type	H1 2013	H2 2013	Half Yearly Change (%)
Apartment	3,871 (30%)	3,897 (29%)	0.7%
Terrace/Townhouse	4,836 (38%)	5,451 (40%)	12.7%
Semi-Detached	2,324 (18%)	2,522 (18%)	8.5%
Detached	1,751 (14%)	1,736 (13%)	-0.9%
All	**12,782 (100%)**	**13,606 (100%)**	**6.4%**

Two (36%) and three (43%) bedroom properties are the most common property size, accounting for almost 80 per cent of properties rented during the second half of 2013. The figures also show that the number of four or more bedroom properties let over the time period accounted for 15% of transactions, with one bedroom properties the smallest market share at 6 per cent (Table 2). In terms of rental volume, the number of two and three bedroom properties let have exhibited half yearly increases, with four or more bedroom properties observing a 5 per cent decrease on the previous 6 month period.

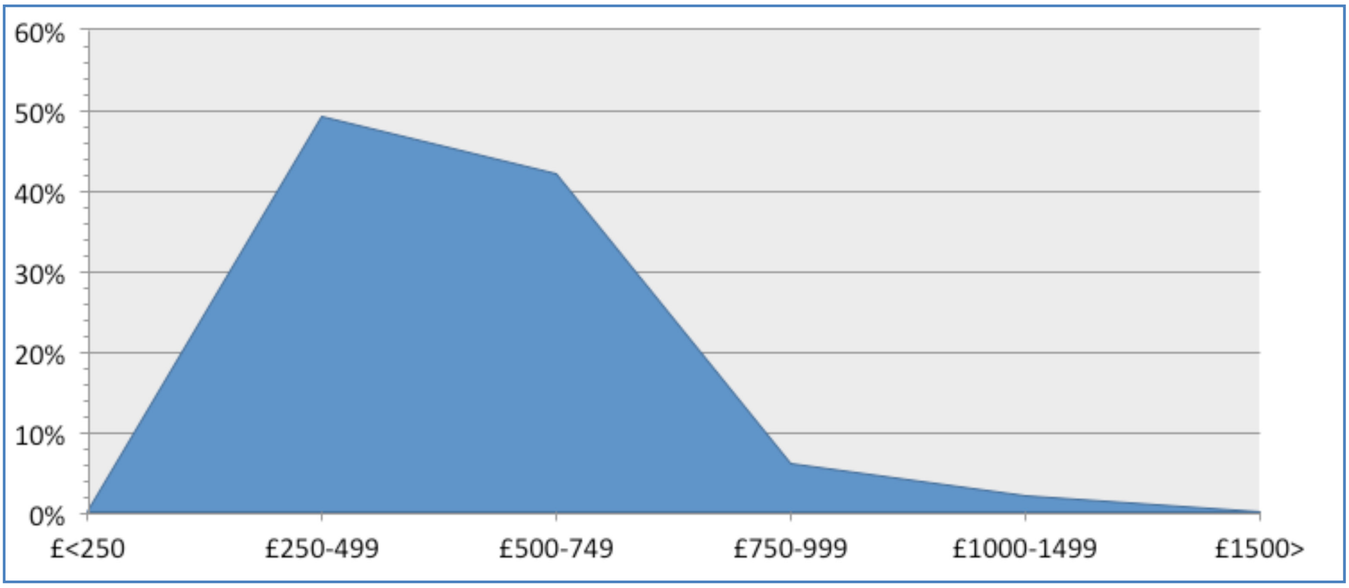
Table 2 Properties let by number of bedrooms

Number of Bedrooms	H1 2013	H2 2013	Half Yearly Change (%)
1 bedroom	827 (7%)	852 (6%)	3.0%
2 bedroom	4,579 (36%)	4,893 (36%)	6.9%
3 bedroom	5, 286 (41%)	5,891(43%)	11.4%
4/4+ bedroom	2,070 (16%)	1,968 (15%)	-4.9%
Total	**12, 782 (100%)**	**13,606 (100%)**	**6.4%**

3.2 Distribution of Banded Monthly Rent

Figure 2 shows that the most common rent band, with almost half (49%) of rental properties let, is the £250-£499 category. A slightly lower proportion of properties (42%) were let in the £500-£749 band. Approximately 8 per cent of rental properties let for more than £750 per month or more.

Figure 2 Histogram showing the distribution of banded monthly rent



3.3 Northern Ireland Average Monthly Rent

For the second half of 2013, the average monthly rent for Northern Ireland was £534, a 1.7 per cent decrease on the first half of 2013. In terms of property type, the statistics in Table 3 reveal a relatively small change in average rents over the second half of the year for all house types, except for the apartment sector. The average monthly rent for apartments is £517, showing a 4.8 per cent decrease on the first half of the year. The terrace/townhouse sector has an average rent of £511 and remains the lowest priced sector. Detached properties commanded the highest average rent (£638) over the second 6 month period with the average rent for semi-detached dwellings standing at £535 per month.

Table 3 Average Rent by Property Type

Property Type	H1 2013	H2 2013	Half Yearly Change (%)
Apartment	£543	£517	-4.8%
Terrace/ Townhouse	£515	£511	-0.8%
Semi-Detached	£533	£535	0.4%
Detached	£634	£638	0.6%
All	**£543**	**£534**	**-1.7%**

Table 4 shows that rental levels increased with the number of bedrooms in a property, ranging from £411 for a one bedroom property to £726 for four or more bedrooms. The figures show a small decline in the average rents for all categories over the second half of 2013 compared with the first half of the year.

Table 4 Average Rent by Number of Bedrooms

Number of Bedrooms	H1 2013	H2 2013	Half Yearly Change (%)
1 bedroom	£419	£411	-1.9%
2 bedrooms	£494	£489	-1.0%
3 bedrooms	£527	£525	-0.4%
4/4+bedrooms	£740	£726	-1.9%
All	**£543**	**£534**	**-1.7%**

3.4 The Northern Ireland Private Rental Index

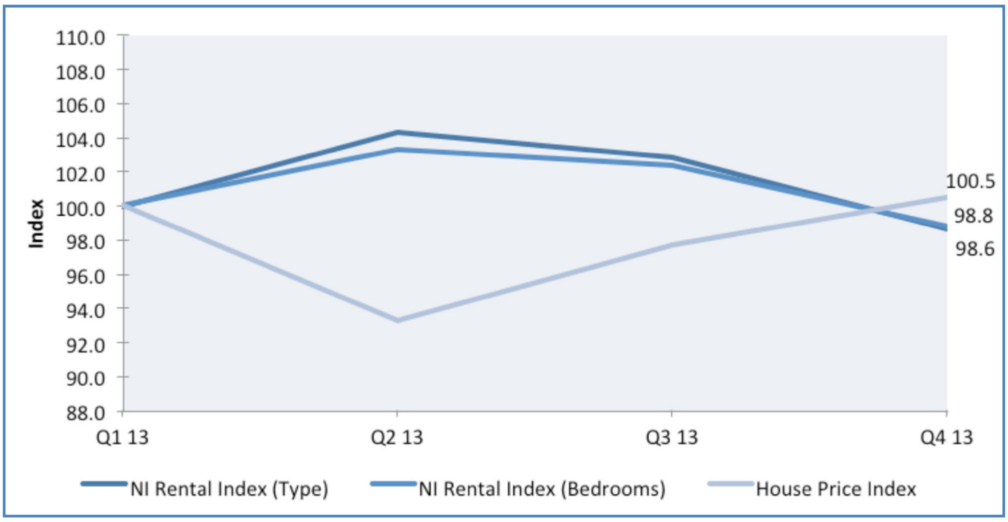
The Northern Ireland Private Rental Indices (NIPRIs) measure change in average rents by property type and number of bedrooms. The indices are calculated using a weighted average by property type and number of bedrooms at the base quarter, Q1 2013 (100). Table 5 shows that the rental index by property type stands at 98.6 at Q4 2013, indicating an overall decrease of 1.4 per cent from Q1 of 2013. Similarly, the Index by bedrooms stands at 98.8 showing a decrease of 1.2 per cent over the same period.

Table 5 Northern Ireland Quarterly Rental Indices by Type and Bedrooms

Year	Quarter	NI Rental Index (Type)	Quarterly Change (%)	NI Rental Index (Bedrooms)	Quarterly Change (%)
	Quarter 1	100		100	
	Quarter 2	104.31	4.31	103.27	3.27
	Quarter 3	102.9	-1.38	102.3	-0.94
	Quarter 4	98.6	-4.13	98.8	-3.45

Figure 3 illustrates that while average house prices declined sharply between quarter one and two (6.7 bps), average house prices for the second half of the year have recovered back to marginally above quarter one levels. In contrast, average rents (adjusted by property type and number of bedrooms) exhibited more nominal growth between Q1 and Q2 (Figure 3) followed by a slight decline in the second half of 2013. Overall, analysis of price changes indicate that while house prices have continued to stabilise average rental prices have experienced nominal decline.

Figure 3 Rental Indices v House Price Index Trend



4.0 Rental Performance in Belfast City Council Area

4.1 Distribution of Properties Let in Belfast City Council Area

In the period July-December 2013, there were **5,342** properties let in the Belfast City Council area (BCCA), a transaction increase of 3 per cent on the first half of 2013 (Figure 4). The figures again emphasise the strong performance of the private rented sector in Belfast,the main rental market in Northern Ireland, accounting for 39.3 per cent of all rental transactions.

Figure 4 Number of dwellings let in BCCA

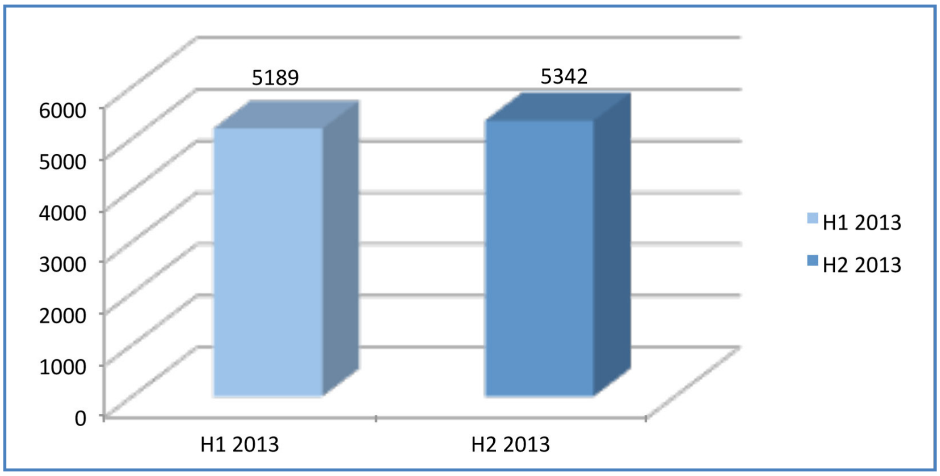


Table 6 shows the distribution of rented properties by property type. Analysis indicates that the vast majority (85%) of properties let in the BCCA are terrace/townhouses (48%) and apartments (37%), much higher proportions than for Northern Ireland as a whole (40% and 29% respectively). In terms of volume of properties let, large increases in the semi-detached (19.2%) and terrace/townhouse (10.8%) sectors were observed in the second half of 2013, with a notable decrease in number of apartments (9.6%) observed over the same period.

Table 6 Properties let in BCCA by property type

Property Type	H1 2013	H2 2013	Half Yearly Change (%)
Apartment	2,186 (42%)	1976 (37%)	-9.6%
Terrace/Townhouse	2,316 (45%)	2565 (48%)	10.8%
Semi-detached	548 (11%)	653 (12%)	19.2%
Detached	139 (3%)	148 (3%)	6.5%
Total	**5,189 (100%)**	**5,342 (100%)**	**2.9%**

Figures in Table 7 show that two bedroom properties represent the most common property size, accounting for almost half of all properties let (46%), again higher proportions than Northern Ireland as a whole (36%). Three bedroom dwellings are the next largest group, accounting for almost a third (30%) of properties let over the time period, a significantly lower proportion than Northern Ireland as a whole (43%).

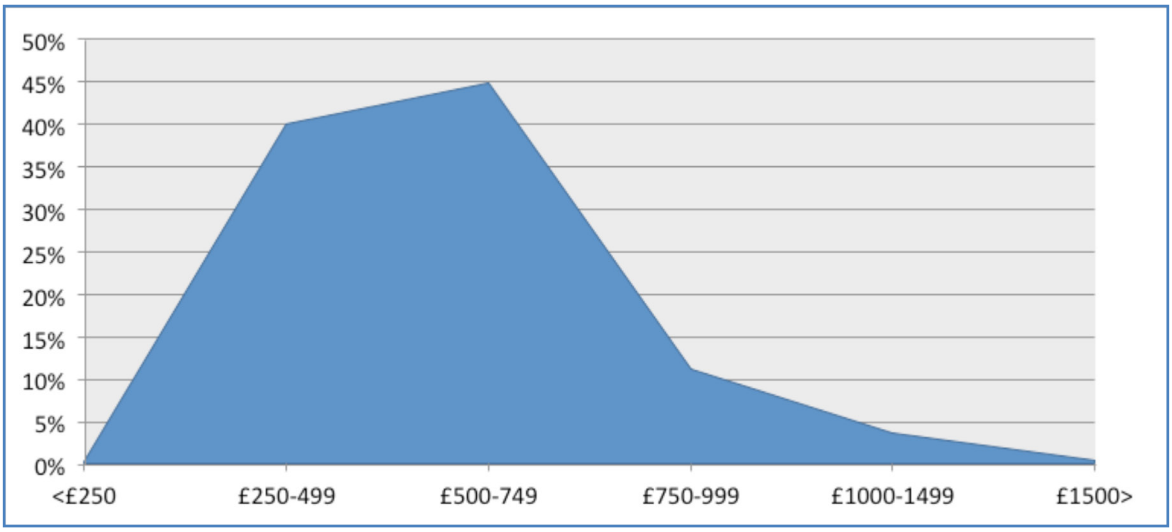
Table 7 Properties let in BCCA by number of bedrooms

Number of Bedrooms	H1 2013	H2 2013	Half Yearly Change (%)
1 bedroom	482 (9%)	441 (8%)	-8.5%
2 bedroom	2,413 (47%)	2,468 (46%)	2.3%
3 bedroom	1,375 (27%)	1,620 (30%)	17.8%
4/4+ bedroom	914 (18%)	813 (15%)	-11.1%
Total	**5,184 (100%)**	**5,342 (100%)**	**3.0%**

4.2 Distribution of Banded Monthly Rent in Belfast City Council Area

The frequency distribution shows that similar proportions of rental properties were let in the £500-£749 band (45%), with an average rent of £580, and the £250-£499 band (40%), with an average rent of £433 (Figure 5). Approximately 15% of rental properties let for more than £750 per month. In contrast, the majority of rents paid in the rest of Northern Ireland fall within the £250-£499 band (49%) highlighting the different rent structure in Belfast.

Figure 5 Histogram showing the distribution of banded monthly rent in Belfast City Council Area



4.3 Average Rent in Belfast City Council Area

The average monthly rent across the BCCA is £573 for the second half of 2013, a 2.7 per cent decrease on the previous 6 months but higher than the Northern Ireland average (£534). In general, analysis of rental price locations in the BCCA show slight decreases in average rents, except for West Belfast, compared to the first half of 2013. Belfast City Centre (£716) and South Belfast (£665) remain the most expensive areas with mean rents considerably higher than the Belfast average. North Belfast (£470) and West Belfast (£518) are the lowest priced locations in the BCCA (Table 8) though for the latter there is little difference to the average rent for East Belfast (£520).

Table 8 Average Rent in Belfast City Council Area

Location	H1 2013	H2 2013	Half Yearly Change (%)
Belfast City Council Area	£589	**£573**	-2.7%
Belfast City Centre	£737	**£716**	-2.9%
North Belfast	£490	**£470**	-4.1%
South Belfast	£687	**£665**	-3.2%
East Belfast	£531	**£520**	-2.1%
West Belfast	£506	**£518**	2.4%

4.3.1 Average Rent by Property Type

Table 9 shows that average rental levels by property type have experienced decreases over the second half of 2013 compared with the first 6 months of the year. Apartment (-4.9%) and detached (-4.1%) properties exhibit the largest price decline in the BCCA over the time period. Detached properties remain the most expensive to rent, with terrace/townhouse marginally the least expensive.

Table 9 Average Rent in Belfast City Council Area by Property Type

Property Type	H1 2013	H2 2013	Half Yearly Change (%)	NI Average H2 2013
Apartment	£597	£568	-4.9%	£517
Terrace/ Townhouse	£560	£555	-0.9%	£511
Semi-Detached	£601	£594	-1.2%	£535
Detached	£897	£860	-4.1%	£638
All	**£589**	**£573**	**-2.7%**	**£534**

4.3.2 Average Rent by Number of Bedrooms

Table 10 indicates that average rents show nominal decreases across each of the bedroom groups in the last 6 months of 2013 when compared to the first half of the year.

Table 10 Average Rents in Belfast City Council Area by number of Bedrooms

Number of Bedrooms	H1 2013	H2 2013	Half Yearly Change (%)	NI Average H2 2013
1 bedroom	£442	£435	-1.6%	£411
2 bedrooms	£517	£512	-1.0%	£489
3 bedrooms	£592	£575	-2.9%	£525
4/4+bedrooms	£848	£830	-2.1%	£726
All	**£589**	**£573**	**-2.7%**	**£534**

4.4 Wider Belfast Area Rent Guide

Table 11 summarises rents across the wider Belfast region and highlights the considerable disparity in average monthly rents at postcode district level by number of bedrooms. For example, the average rent for a typical three bedroom property can vary from £429 in BT13 to £859 in BT1.

Table 11 Average Rent Grid by Postcode

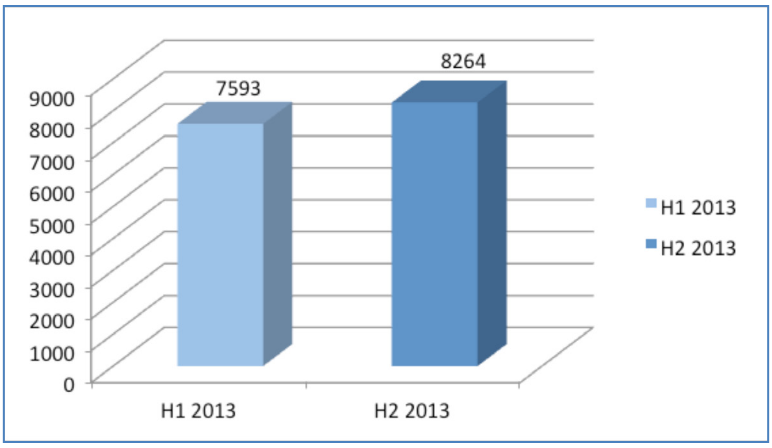
Postcode	1 Bed	2 Bed	3 Bed	4/4+ Bed	All
BT1	£580	£740	£859	-	£729
BT2	£517	£686	£758	-	£692
BT3	£610	£736	-	-	£811
BT4	£431	£498	£532	£766	£533
BT5	£412	£468	£537	£797	£497
BT6	£438	£478	£553	£667	£520
BT7	£410	£539	£617	£868	£644
BT8	£400	£528	£597	£788	£592
BT9	£449	£571	£676	£968	£694
BT10	£416	£552	£630	£777	£600
BT11	£501	£546	£562	£594	£557
BT12	£435	£469	£488	£547	£483
BT13	£419	£437	£429	£542	£440
BT14	£407	£436	£482	£616	£468
BT15	£400	£462	£540	£602	£487
BT16	£445	£487	£537	£703	£531
BT17	£454	£503	£596	£733	£563
BT18	£506	£588	£710	£1,263	£714
BT19	£467	£526	£589	£850	£608
BT20	£421	£518	£558	£738	£562
BT23	£421	£472	£540	£768	£531
BT26	£468	£588	£665	£796	£653
BT27	£408	£479	£544	£836	£536
BT28	£413	£508	£549	£705	£546
BT36	£433	£485	£521	£676	£518
BT37	£354	£448	£495	£722	£499
BT38	£394	£466	£507	£636	£501

5.0 Rental Performance across the Local Government Districts

5.1 Distribution of Properties Let by Local Government Districts

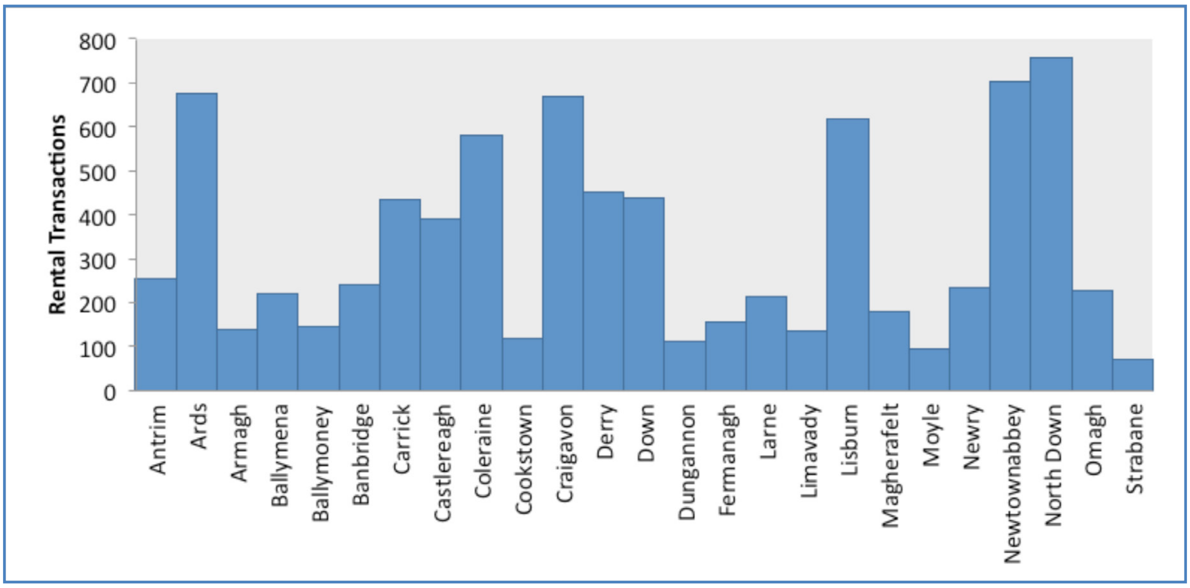
Outside of the BCCA, there were **8,264** properties let during the second half of 2013, a 9 per cent increase on the first half of the year (Figure 6). Also, transaction activity in the LGDs outside Belfast increased slightly to 61 per cent of all transactions across Northern Ireland.

Figure 6 Number of properties let in Local Government Districts



Similar to the previous survey, the frequency distribution of rental transactions in Figure 7 indicates that the North Down (757), Newtownabbey (703), Ards (675), Craigavon (668) and Lisburn (618) districts are the largest rental markets outside Belfast. The figures also identify Coleraine (580), Derry (453) and Down (439) to be other main private rental areas. Collectively, these eight district council areas account for 59 per cent of all rental transactions outside of Belfast. Strabane (71), Moyle (96), Dungannon (113) and Cookstown (117) exhibited the least amount of activity over the period, although all recorded an uplift in rent transactions on the previous 6 month period. In general, the figures show little rental activity outside the main urban centres.

Figure 7 Number of properties let in district council areas



The terrace/ townhouse sector represents the largest proportion of rented properties accounting for over one third (35%) of the total rental activity with an average rent of £472 per month (Table 12). The apartment and semi-detached sectors account for 23 per cent of rented dwellings respectively. Market share of detached dwellings is the smallest with 19 per cent of properties let in this sector. The number of properties let in the terrace/townhouse and apartment sectors showed significant growth in volume (c. 14%) compared with the first half of 2013.

Table 12 Properties let by property type

Property Type	H1 2013	H2 2013	Half Yearly Change (%)
Apartment	1,685 (22%)	1,921 (23%)	14.0%
Terrace/Townhouse	2,521 (33%)	2,886 (35%)	14.5%
Semi-detached	1,776 (23%)	1,869 (23%)	5.2%
Detached	1,611 (21%)	1,588 (19%)	-1.4%
Total	**7,593 (100%)**	**8,264 (100%)**	**8.8%**

Table 13 shows that more than four fifths (81%) of properties let outside BCCA during the second half of 2013 were two and three bedroom properties. Analysis reveals that three bedroom properties are the most common rented property size accounting for over half (52%) of rented properties, with an average let price of £506 per month. Two bedroom properties represent the next largest property size and account for 29% of properties let, with an average rent of £465 per month.

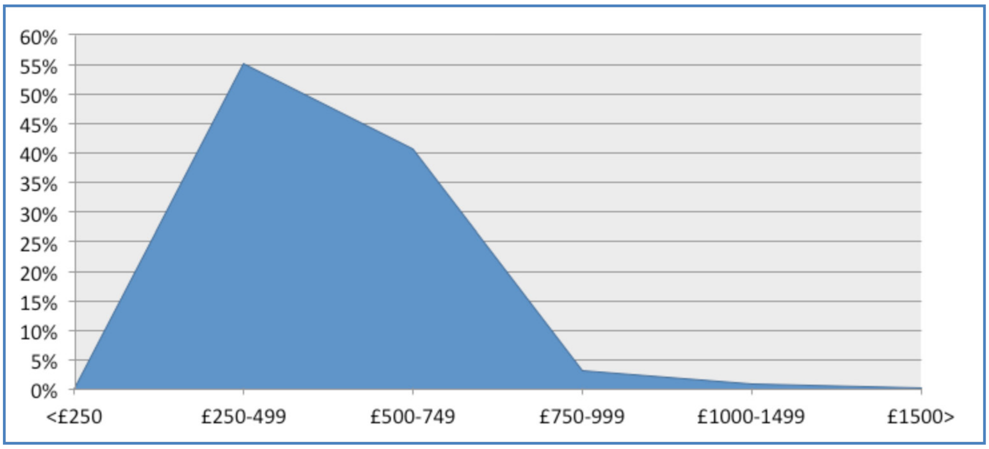
Table 13 Properties let by number of bedrooms

Number of Bedrooms	H1 2013	H2 2013	Half Yearly Change (%)
1 bedroom	351 (5%)	411 (5%)	17.1%
2 bedroom	2,166 (29%)	2,425 (29%)	12.0%
3 bedroom	3,911 (52%)	4,273 (52%)	9.3%
4/4+ bedroom	1,165 (14%)	1,155 (14%)	-0.9%
Total	**7,593 (100%)**	**8,264 (100%)**	**8.8%**

5.2 Distribution of Banded Monthly Rent across the LGDs

Figure 8 shows that over half of all rental properties (55%) were let in the £250-£499 per month rent band, a slight increase (1%) on the first half of 2013. Properties in this category had an average rent of £431 per month. Also, 41 per cent of properties were let in the £500 -£749 band, with 4 per cent of properties letting for £750 or more. Overall, this highlights the different rent structure outside of Belfast.

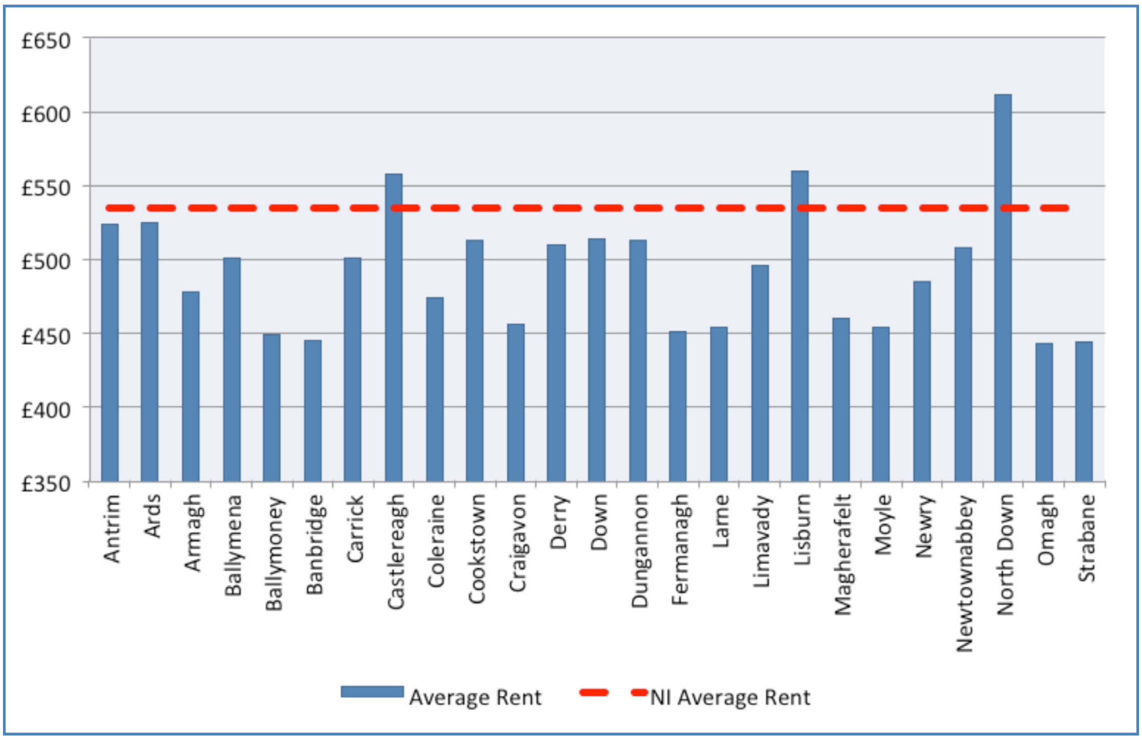
Figure 8 Histogram showing the distribution of banded monthly rents across district council areas



5.3 Average Rent by LGD

Analysis of rental levels for properties rented outside the BCCA reveal that the average rent was £508 per month, a 0.8 per cent decrease on the first half of the year and below the Northern Ireland average rent of £534. Figure 9 shows the distribution of average rent statistics by district council area, highlighting the variance in average rents by location. Overall, the figures indicate that average rents in rural regions, particularly those districts in the West and North of the province, to be significantly below the Northern Ireland average. Similar to the results of the first half of 2013, the highest average rent statistics for the second half of the year were in the BMA urban districts of North Down (£611), Lisburn (£560) and Castlereagh (£558); although it is notable the latter two areas experienced a decline in average rent compared with the previous 6 months with North Down showing an increase. The lowest average rents were in the Omagh (£443), Strabane (£444), Ballymoney (£449) and Fermanagh (£451) districts.

Figure 9 Average monthly rent by district council area



5.3.1 Average Rent by Property Type

Table 14 provides analysis by property type at district council level. In the apartment sector, the average rent is highest in North Down (£542), Lisburn (£506) and Dungannon (£487). The lowest average rents in this sector were in the districts of Strabane (£326), Ballymoney (£361), Magherafelt (£382), Craigavon (£387) and Omagh (£390). With regard to the terrace/townhouse properties, the analysis shows that there is less variance. Following the trend from the first half of 2013, rents were highest in North Down (£579), Castlereagh (£545) and Lisburn (£530), with Derry (£507) the highest rental location outside of the BMA in the second half of the year. The lowest average rent for this type of property was again observed in Banbridge (£408), Larne (£417) and Craigavon (£417). A similar trend is observed in the semi-detached sector where the range of average rent is relatively narrow and the highest priced districts were again the BMA districts of Castlereagh (£600), North Down (£592) and Lisburn (£558) with Derry (£540) the highest priced region outside of the BMA. Moyle (£435) and Ballymoney (£443) in the North and Fermanagh (£447), Armagh (£460) and Omagh (£460) in the South and West were the lowest priced regions for semi-detached lets. For detached properties, the spread of average rent is generally much larger in the BMA (North Down, Castlereagh, Lisburn, Newtownabbey) showing the highest average rent for this type of property. Although average rent has increased over the second half of the year, Fermanagh (£491), Omagh (£501), Strabane (£510) and Moyle (£517) were again the lowest priced regions.

Table 14 Average monthly rent across district council area by property type

Council District	Average Rent by Property Type (£)					Half Year Change (%)
	Apartment	Terrace/ Townhouse	Semi-Detached	Detached	All	
Antrim	£466	£454	£531	£703	£524	3.0%
Ards	£476	£472	£508	£673	£525	-1.2%
Armagh	£392	£432	£460	£567	£479	-1.5%
Ballymena	£452	£461	£497	£579	£501	0.7%
Ballymoney	£361	£428	£443	£545	£449	0.7%
Banbridge	£391	£408	£465	£559	£445	-2.2%
Carrickfergus	£473	£465	£532	£635	£501	-0.1%
Castlereagh	£475	£545	£600	£710	£558	-2.9%
Coleraine	£452	£454	£480	£527	£474	0.4%
Cookstown	£464	£489	£503	£577	£513	3.3%
Craigavon	£387	£417	£484	£565	£456	-1.0%
Derry	£464	£507	£540	£633	£510	-2.6%
Down	£451	£487	£508	£598	£514	2.0%
Dungannon	£487	£464	£525	£550	£513	1.8%
Fermanagh	£427	£431	£447	£491	£451	1.2%
Larne	£410	£417	£471	£586	£454	-1.7%
Limavady	£422	£457	£490	£632	£496	-3.0%
Lisburn	£506	£530	£558	£677	£560	-4.9%
Magherafelt	£382	£432	£471	£522	£460	-3.5%
Moyle	£401	£417	£435	£517	£454	5.3%
Newry & Mourne	£440	£460	£476	£566	£486	1.6%
Newtownabbey	£462	£467	£542	£674	£508	-0.5%
North Down	£542	£579	£592	£845	£611	3.3%
Omagh	£390	£427	£460	£501	£443	-2.9%
Strabane	£326	£425	£471	£510	£444	-6.0%

5.3.2 Average Rent by Number of Bedrooms

Table 15 shows that one bedroom properties are not a common property size to let. Where the sample of one bedroom properties is sufficient for analysis, North Down (£456), Lisburn (£430) and Ards (£407) displayed the highest average rent with Craigavon (£317) exhibiting the lowest average monthly rent. Analysis of two bedroom properties shows a clustering of rents, North Down (£541), Lisburn (£509), Derry (£495) and Castlereagh (£494) having the highest average monthly rent. The lowest average rent for two bedroom properties was observed in Strabane (£373), Banbridge (£396), Craigavon (£400), Larne (£404) and Moyle (£407) districts.

The statistics show that the range of average rent for three bedroom properties is relatively narrow with 92 per cent of average rents for this property size falling between £443 and £525. The highest average rents remained relatively similar to the first half of the year and were again in the BMA districts of North Down (£593), Castlereagh (£571) and Lisburn (£563) with Ards (£525) displaying the next highest average rent. Moyle (£443) again exhibited the lowest average rent statistic, followed closely by Omagh (£450), Banbridge (£452), Ballymoney (£455) and Armagh (£457). Overall, the figures for this group highlight rent differentials with the South West

Table 15 Average rent across district council area by number of bedrooms

Council District	Average Rent by Number of Bedrooms(£)					Half Year Change (%)
	1	2	3	4/4+	All	
Antrim	£388	£467	£504	£730	£524	3.0%
Ards	£407	£467	£525	£738	£525	-1.2%
Armagh	*	£415	£457	£639	£479	-1.5%
Ballymena	*	£447	£500	£621	£501	0.7%
Ballymoney	*	£408	£455	£581	£449	0.7%
Banbridge	*	£396	£452	£565	£445	-2.2%
Carrickfergus	£394	£467	£507	£634	£501	-0.1%
Castlereagh	£389	£494	£571	£787	£558	-2.9%
Coleraine	£368	£444	£478	£524	£474	0.4%
Cookstown	*	£476	£509	£577	£513	3.3%
Craigavon	£317	£400	£460	£560	£456	-1.0%
Derry	£401	£495	£518	£617	£510	-2.6%
Down	£372	£458	£521	£623	£514	2.0%
Dungannon	*	£443	£500	£606	£513	1.8%
Fermanagh	£323	£414	£459	£529	£451	1.2%
Larne	*	£404	£470	£608	£454	-1.7%
Limavady	*	£425	£495	£597	£496	-3.0%
Lisburn	£430	£509	£563	£759	£560	-4.9%
Magherafelt	£319	£419	£459	£543	£460	-3.5%
Moyle	£378	£407	£443	£574	£454	5.3%
Newry & Mourne	*	£437	£488	£594	£486	1.6%
Newtownabbey	£393	£453	£513	£699	£508	-0.5%
North Down	£456	£541	£593	£896	£611	3.3%
Omagh	£328	£413	£450	£537	£443	-2.9%
Strabane	*	£373	£460	£504	£444	-6.0%

**denotes sample size is too small for robust analysis.*

6.0 Conclusion

The report shows an increasing volume of rental transactions across Northern Ireland, with a half yearly increase of 6.4 per cent observed in the second half of 2013. The BCCA and wider BMA continue to dominate and drive the Northern Ireland rental market. Whilst figures for the second half of 2013 show that Belfast remains the main rental market with 39 per cent of activity, this proportion has decreased from the first 6 months (41%) with the overall proportion of transaction levels outside of Belfast increasing to 61 per cent, indicating slight growth in the rental sector outside of the Belfast market. Notwithstanding this, rental activity across the LGDs highlights considerable variability and is most prominent in the main urban centres with a clear East-West divide. Findings also reveal that the average rent for Northern Ireland has decreased by 1.7 per cent over the second half of the year to £534, with almost half of properties let (49%) falling in the £250-£499 rent band. The terrace/townhouse sector has the largest market share of lettings, increasing slightly to 40% over the second half of 2013, followed by apartments (29%). Three bedroom properties are the most common by size (43%), with two bedroom lettings the next largest group (36%).

In the BCCA, variability in average rent is observed by property type and number of bedrooms. A similar picture was evident across the district councils, with variation in the average rent observed, particularly in rural regions. The average BCCA rent statistic for second half of 2013 is £573, a 2.7 per cent decrease on the previous 6 months. This is significantly greater than the remainder of Northern Ireland districts where the average rent is £508 per month, a 0.8 per cent decrease on the first half of year. There are also significant regional variances in the distribution of rented properties by property type and number of bedrooms. The most common property types in the Belfast market are terrace/townhouse and apartment dwellings which have almost equal proportions and account for 85 per cent of all rented properties. However, outside Belfast this figure is 58 per cent with the sample showing much more equal distribution of rented properties by type and significantly higher proportions of rented detached and semi-detached properties. The analysis also noted disparity in the distribution of properties let by number of bedrooms. In the BCCA, two bedroom properties were the most common property size (46%) whereas three bedroom properties were the largest sector outside Belfast accounting for over half (52%) of all properties let.

Endnote

[i] Rent statistics in PropertyNews.com are generally inclusive of rates. To ensure rent datasets are comparable, NIHE rent statistics for Housing Benefit in the PRS need to be adjusted upward to ensure consistency in average rents across the sample. Following wide and detailed analysis of the council areas, rates poundage and the range of adjustment required for each property type across the LGD areas, the research identified the median percentage adjustment for the NIHE datasets to be as follows: Apartments 11%; Detached 17%; Semi-Detached 13%; and Terrace 13%. It was observed that there was only slight variance in the range across the LGD areas and therefore the percentage uplift could be applied uniformly to the dataset across all LGD areas.