

JULY 2025

# Northern Ireland Residential Market Overview



SimonBrien



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# Summary

Northern Ireland's property market experienced a strong resurgence in 2024, with significant increases in transactions, price inflation, and development activity compared to the previous year. This upward momentum carried through into the first quarter of 2025.

In the first quarter of 2025, house prices in Northern Ireland rose by 9.5% year-on-year to an average of £185,037 - the fastest annual growth rate since late 2022. This sharp increase aligns with recent interest rate cuts and adjustments to stamp duty. Throughout 2024, 23,447 residential properties changed hands, marking a 6% increase from 2023. The positive trend extended into early 2025, with 5,467 properties sold in Q1 - up 13% compared to the same period last year.

Significantly, Northern Ireland emerged in 2024 as the only UK region to record growth in housing completions, reversing a two-year decline. A total of 6,026 new homes were delivered, a 12% year-on-year increase. Encouragingly, this growth has continued into the first quarter of 2025. New housing starts also rebounded strongly in 2024, reaching 6,432 units - an 11% rise from the previous year.

Looking ahead, reduced borrowing costs are expected to support demand. However, supply is likely to remain below market needs in the near term, maintaining upward pressure on prices.

**Northern Ireland emerged in 2024 as the only UK region to record growth in housing completions**





# Economic Overview

Northern Ireland's economy contracted by 0.6% in real terms during the first quarter of the year, according to the latest data from the Northern Ireland Statistics and Research Agency (NISRA), in contrast to a 0.7% expansion across the broader UK economy.

However, despite this quarterly slowdown, Northern Ireland showed stronger annual performance, with economic activity growing by 1.6% as measured by the Composite Economic Index - outpacing the UK's 1.3% GDP growth over the same period.

Moreover, Northern Ireland continues to lead in the post-pandemic recovery. As of Q1 2025, economic output stood 10% above pre-pandemic levels (Q4 2019), significantly surpassing the UK-wide increase of just 4.1%.

The recent quarterly decline in Northern Ireland's economic output was largely driven by the Construction sector, which saw a 5.1% drop-in activity over the three-month period. This marked a break in four consecutive quarters of growth. The Production sector also contributed to the downturn, posting a 1.6% decrease. Despite the setback, the Construction sector remains robust, with output still 15.5% above pre-pandemic levels.

Northern Ireland's labour market has continued to exhibit exceptional tightness in recent years, with unemployment rates consistently near historic lows. Between March and May 2025, the seasonally adjusted unemployment rate for those aged 16 and over stood at 2.2% - up from the record low of 1.6%, yet still the lowest rate across all UK regions. This figure is also below the pre-pandemic rate of 2.4% recorded in late 2019. Unemployment had peaked at 4.5% during the pandemic (July to September 2021) but has since declined steadily to its current level.

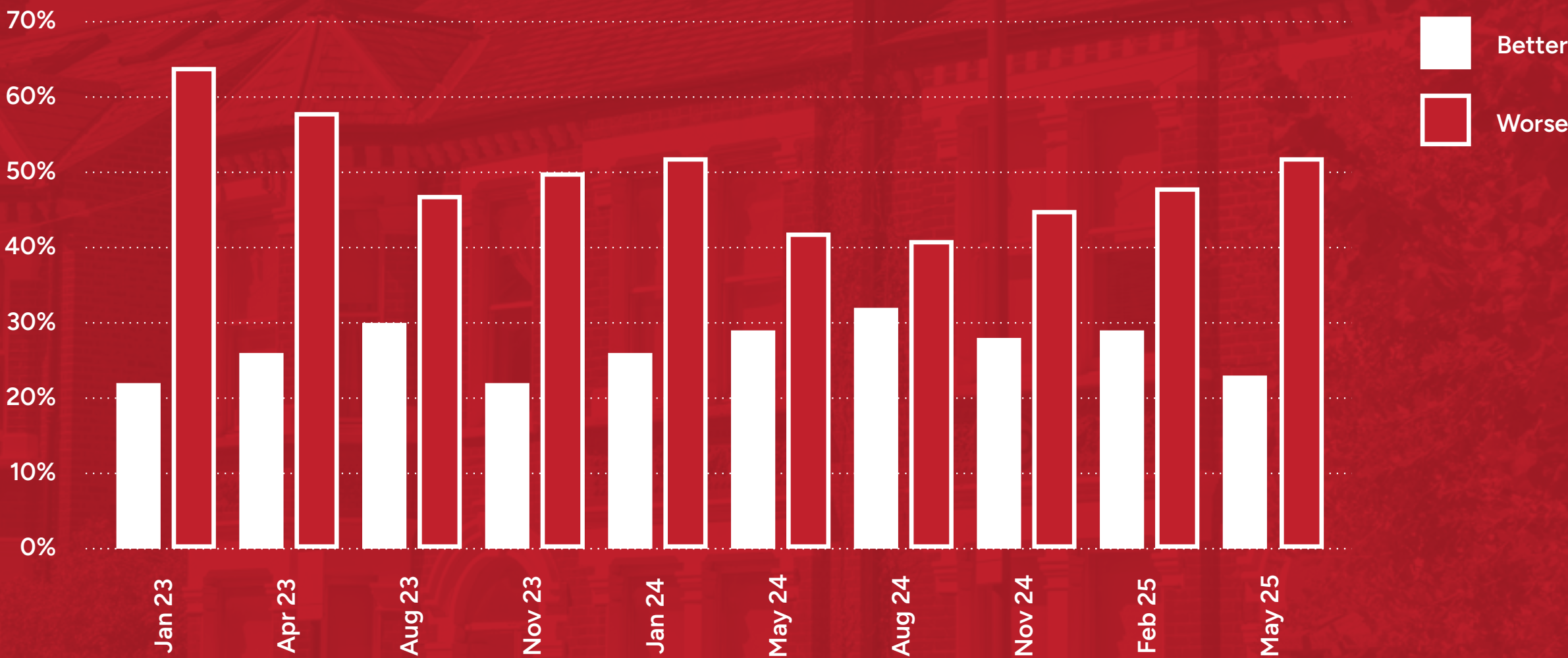




Employment among those aged 16 - 64 increased slightly to 72.1% during the same period, with 857,000 people in work. However, this remains below the UK average of 75.2%. The primary factor behind this gap is Northern Ireland’s elevated economic inactivity rate, which stood at 26.3% - notably higher than the UK average of 21.0%.

Consumer confidence in Northern Ireland showed a slight decline between February and May 2025, according to the latest Credit Union Northern Ireland Consumer Sentiment Survey. Although most respondents did not report significant personal financial deterioration, broader concerns about the economy and disappointment over stalled progress from last year’s recovery appear to be weighing on sentiment. In May, just 23% of respondents expected the general economic situation to improve over the next year - down from 29% in February - while those anticipating a worsening outlook rose to 52%, up from 48%.

Figure 1  
Views On General Economic Situation Over The Next 12 Months




Source: Irish League of Credit Unions / Core Research



At its most recent monetary policy meeting in June, the Bank of England decided to hold the base interest rate steady at 4.25%, following a series of cuts that began in August 2024. This pause comes amid ongoing global uncertainty and a recent uptick in inflation, which rose to 3.6% in June 2025 - up from a low of 1.7% in September 2024. According to the Bank's latest Monetary Policy Report, inflation is expected to climb temporarily in the short term before easing again, with a projected fall to 2.4% by the second quarter of 2026. Two additional rate cuts are anticipated later in the year, subject to economic conditions.

In more positive news, 2024 brought a sharp slowdown in the rate of construction material price increases for new housing. Prices rose by just 0.3% over the year, according to data from the Department for Business and Trade - a notable cooling from the record 15.3% surge seen in 2022.



**At its most recent monetary policy meeting in June, the Bank of England decided to hold the base interest rate steady at 4.25%**



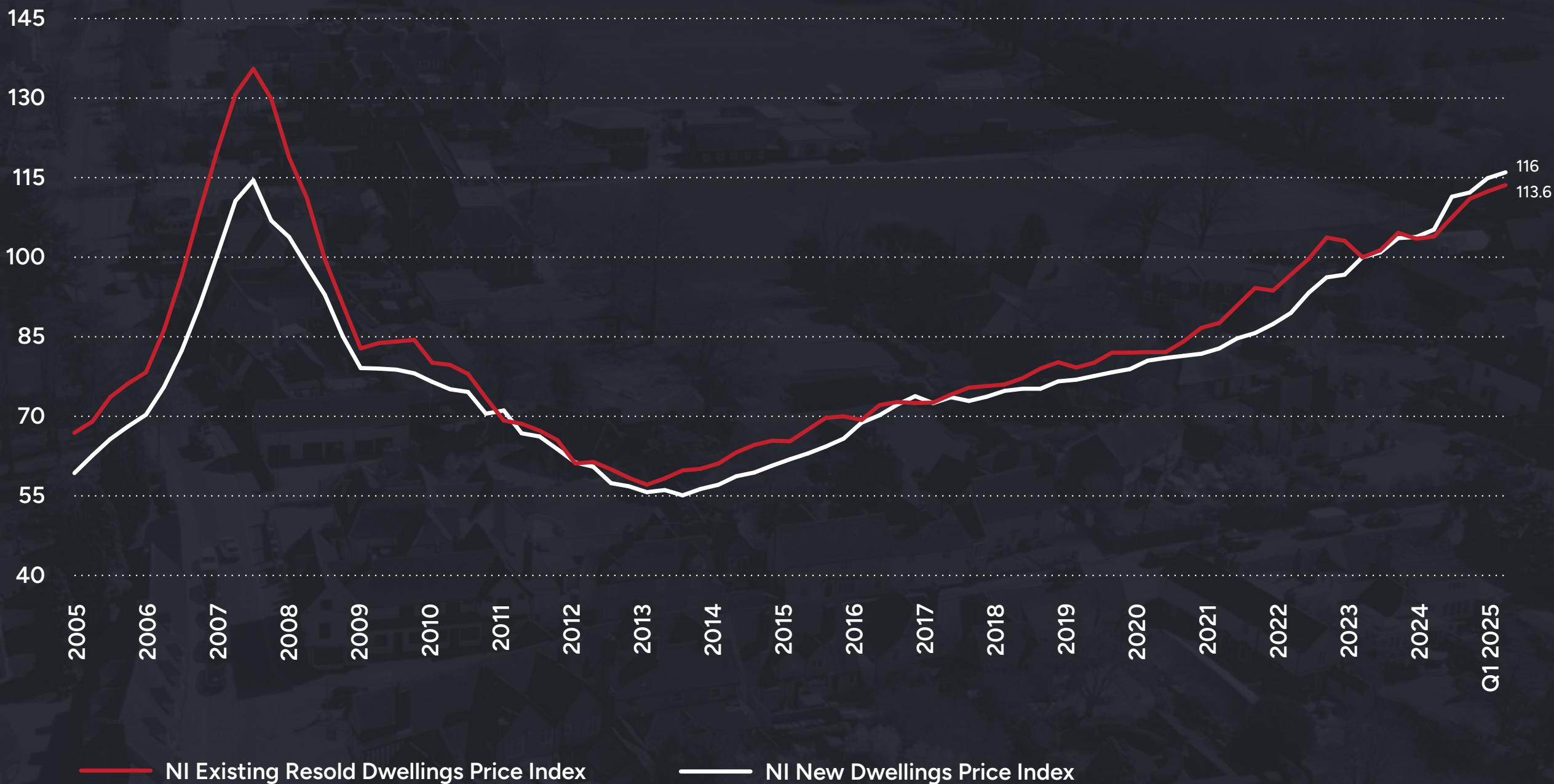
# Price Performance

The latest NISRA House Price Index highlights a resilient Northern Ireland property market in the first quarter of 2025.

Average standardised house prices rose by 1.0% to £185,037, slightly exceeding the long-term quarterly average of 0.8%. On an annual basis, prices surged by 9.5% - the highest rate recorded since late 2022 - coinciding with recent interest rate cuts. While current average prices are now more than double the market's low point in Q1 2013, they remain nearly 13% below the peak recorded in Q3 2007.

Northern Ireland also led the UK with the fastest annual house price growth. However, part of this surge can be attributed to changes in stamp duty that came into effect on April 1st, which reverted thresholds in both Northern Ireland and England to pre-2022 levels. The impending tax increase prompted a flurry of transactions before the deadline, temporarily inflating price growth figures for Q1. A similar trend was observed in England, where annual price inflation accelerated to 7.3% in March - up from 5.6% in February - before easing to 3% in April, suggesting reduced activity post-rush. This pattern indicates Northern Ireland may also experience a cooling in price growth in the coming quarter. In comparison, Scotland and Wales recorded more modest annual growth in March, at 5.2% and 4.3% respectively.

Figure 2  
Northern Ireland Residential Property Price Index, 2005 - Q1 2025



Source: NISRA



In Q1 2025, both new and existing homes in Northern Ireland saw prices increase by 1.0% on a quarterly basis. Annually, new build prices rose sharply by 10.3%, reaching a record high of £244,434. Existing homes also performed strongly, with prices up 9.3% year-on-year to £179,267 - a level last seen in early 2008.

A breakdown by property type shows that terraced houses recorded the highest annual price growth in the first quarter of 2025, rising by 10.6% to a standardised price of £131,398. Semi-detached homes followed with a 9.6% increase, while detached properties saw prices climb by 8.2%. Apartment prices also rose significantly, up 9.0% year-on-year to reach £138,120.

Regionally, Causeway Coast and Glens led the way in price growth across all property types, with average prices increasing by 15% annually in Q1 2025 to £201,884.

Table 1: Standardised Prices By District, Q1 2025  
(All Property Types)

District Council	Prices Q1 2025	Change from Q1 2024
Causeway Coast and Glens	£201,884	15%
Derry City and Strabane	£168,394	12%
Newry, Mourne and Down	£198,327	11%
Mid and East Antrim	£165,289	10%
Belfast	£170,440	10%
Lisburn and Castlereagh	£221,029	10%
Antrim and Newtownabbey	£190,337	10%
Fermanagh and Omagh	£175,759	8%
Armagh City, Banbridge and Craigavon	£171,009	7%
Ards and North Down	£209,254	6%
Mid Ulster	£173,070	5%

Source: NISRA





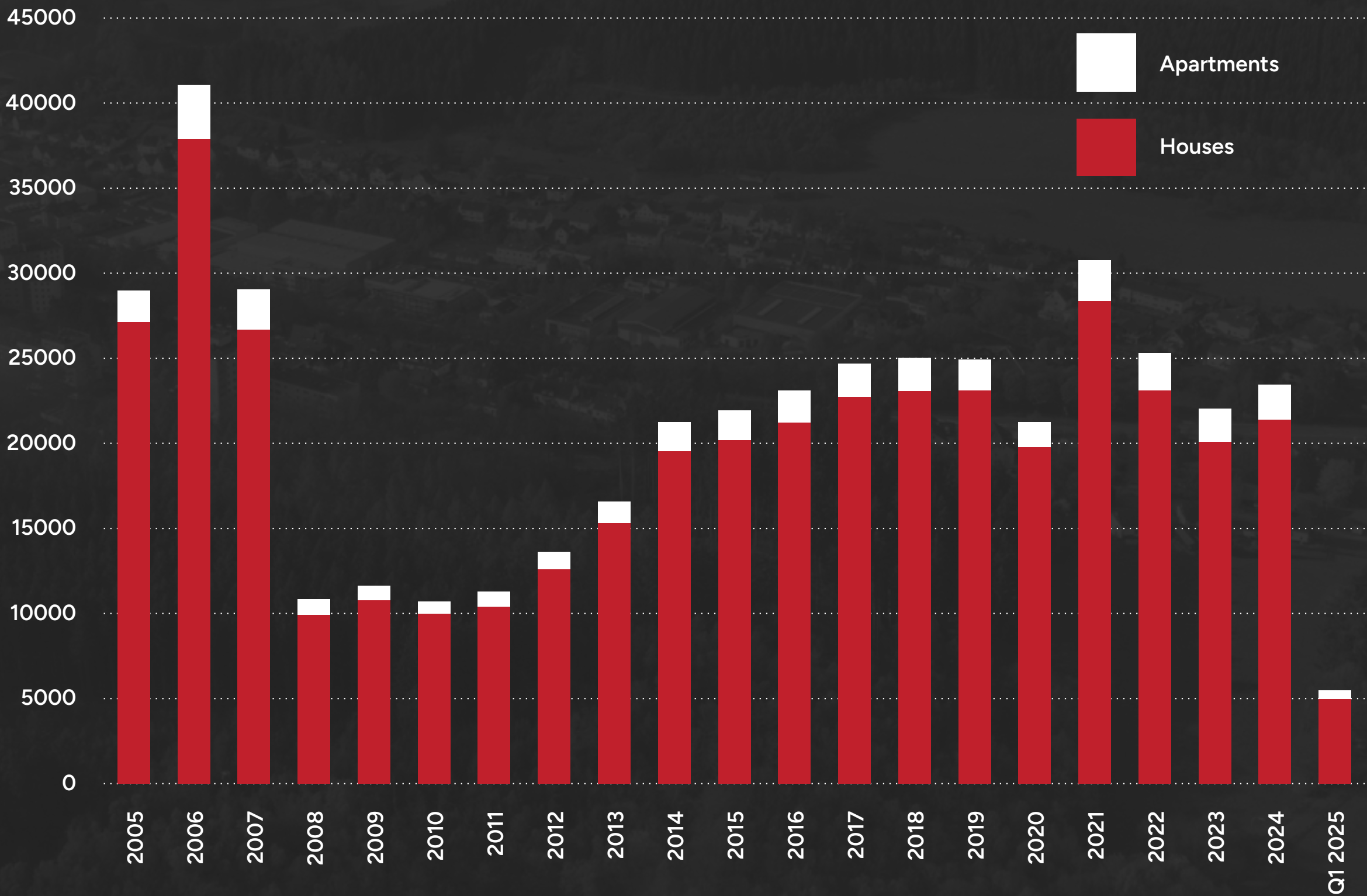
# Transaction Activity

Following two years of declining transaction volumes and reduced affordability driven by rising Bank of England interest rates, Northern Ireland’s property market showed clear signs of recovery in 2024.

Supported by easing inflation and falling borrowing costs, residential property transactions rose to 23,447 - an increase of 6% compared to 2023. The rebound was broad-based, with house sales up 7% to 21,388 and apartment transactions increasing by 5% to 2,059.

While data on new and existing home sales is currently available only through the third quarter of 2024, it also points to a strong recovery. New home transactions surged by 11% in the first nine months of the year, reaching 2,261 - the highest level for that period since 2021. Existing home sales grew more modestly, rising by 2% to 14,508. Overall, the 2024 figures mark a clear turnaround after two consecutive years of declines across all districts in Northern Ireland.

Figure 3  
Residential Transactions, 2005 - Q1 2025



Source: NISRA



Residential transaction activity continued to strengthen in the first quarter of 2025, with 5,467 properties sold - representing a 13% increase compared to the same period last year. This marks the first year-on-year growth for a first quarter since 2021, driven by strong house and apartment sales reaching their highest Q1 levels since 2022. However, it's important to note that much of this surge is likely linked to recent changes in stamp duty, which encouraged buyers to complete transactions before the revised thresholds took effect.

Houses made up the majority of sales in Q1, with 4,976 transactions - accounting for 91% of the total, a consistent trend in recent years. Apartment sales accounted for the remaining 491 transactions.

Belfast remained the most active market, recording 1,211 sales in Q1 - over one-fifth of Northern Ireland's total. Ards and North Down followed with 710 transactions, representing 13% of sales. At the other end of the spectrum, Fermanagh and Omagh recorded the lowest activity, with just 194 sales, or 4% of the regional total.



**Residential transaction activity continued to strengthen in the first quarter of 2025, with 5,467 properties sold**



# Supply

Defying trends seen across the rest of the UK; Northern Ireland emerged in 2024 as the only region to record an increase in housing completions after two consecutive years of decline.

According to NISRA data, 6,026 new dwellings were completed over the year - a notable 12% rise compared to 2023, which had marked the lowest annual total since records began in 2005.

Breaking down the 2024 figures by property type, house completions saw a strong rebound, rising by 12% to 5,178 units. Apartment completions also improved, increasing by 11% to 848 units. However, both remain below their long-term annual averages of 6,495 for houses and 1,095 for apartments.

Geographically, Armagh City, Banbridge and Craigavon maintained its lead in housing delivery, accounting for 15% of all new completions in 2024, with 882 units built.

The recovery in housing completions is likely supported by a combination of factors, including easing inflation, falling interest rate expectations, and more stable construction material costs throughout the year.

Table 2: NI Completions By District, 2024

District Council	2024 Completions	Change from 2023
Derry City and Strabane	673	52%
Lisburn and Castlereagh	543	29%
Fermanagh and Omagh	369	25%
Belfast	587	25%
Armagh City, Banbridge and Craigavon	882	18%
Mid and East Antrim	536	18%
Causeway Coast and Glens	387	4%
Antrim and Newtownabbey	681	3%
Newry, Mourne and Down	534	-3%
Ards and North Down	420	-8%
Mid Ulster	414	-17%

Source: NISRA





The first quarter of 2025 saw continued progress in residential development across Northern Ireland, with 1,359 units completed – an 8% increase on Q1 2024. However, this remains well below the long-term Q1 average of 1,759 units. Private owner/speculative developments made up the vast majority, totalling 1,248 units, while social housing accounted for just 111 completions. Houses dominated overall activity, with 1,191 completions – a 10% year-on-year rise – whereas apartment completions fell by 7% to 168 units.

Regionally, six of Northern Ireland's 11 districts recorded annual increases in completions. Lisburn and Castlereagh posted the strongest growth, up 68% to 168 units. Despite a 21% year-on-year decline, Armagh City, Banbridge and Craigavon recorded the highest number of completions at 182 units.

Following two years of decline, new home starts rebounded in 2024, rising 11% year-on-year to 6,432 units. Despite this improvement, new home starts remain below the long-term annual average of 8,017. Armagh City, Banbridge and Craigavon led the way with 932 starts (14% of the total), followed closely by Belfast and Lisburn and Castlereagh, each contributing 13%.

The upward trend continued into Q1 2025, with new starts rising 9% annually to 1,725 units. Notably, 15% of these were for social housing—above the long-term quarterly average of 12%. Houses again led the way with 1,584 starts, marking their highest quarterly level in three years.

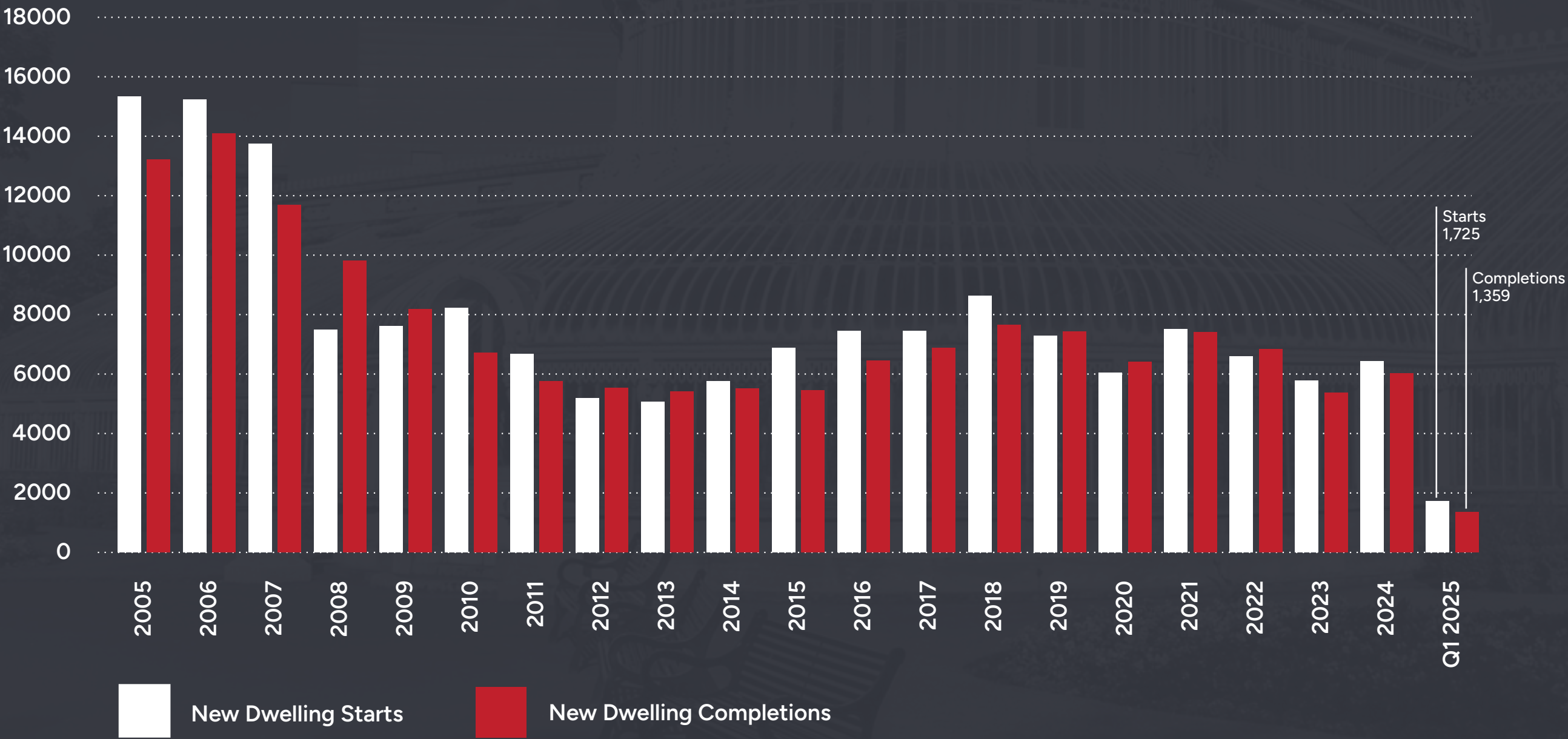
In contrast, apartment starts dropped to just 141 units, their lowest since Q3 2023. Seven of the 11 districts recorded annual growth in new commencements during the quarter.

## Regionally, six of Northern Ireland's eleven districts recorded annual increases in completions





Figure 4  
Annual New Dwelling Starts And Completions, 2005 - Q1 2025



Source: NISRA

Table 3: NI Commencements By District, 2024

District Council	2024 Commencements	Change from 2023
Lisburn and Castlereagh	820	58%
Causeway Coast and Glens	458	53%
Fermanagh and Omagh	412	48%
Ards and North Down	536	32%
Antrim and Newtownabbey	633	19%
Armagh City, Banbridge and Craigavon	932	14%
Mid Ulster	541	9%
Belfast	834	0%
Newry, Mourne and Down	564	-2%
Mid and East Antrim	390	-20%
Derry City and Strabane	312	-42%

Source: NISRA



# Outlook

Northern Ireland's residential market experienced a notable rebound in 2024, with both transactions and completions recovering after a two-year slump driven by high interest rates, rising living costs, and muted economic activity. This recovery momentum has continued into early 2025.

House prices in the region are now rising faster than anywhere else in the UK, marking their strongest growth since late 2022. This surge has been partly fuelled by a pre-deadline spike in transactions ahead of stamp duty changes introduced on April 1st. Under the new rules, first-time buyers now pay stamp duty on homes over £300,000 - down from the previous £425,000 threshold - while all other buyers face charges on properties valued above £125,000, reduced from £250,000. Beyond this, Northern Ireland's strong price growth likely reflects the continued shortfall in housing completions relative to long-term averages, alongside recent interest rate reductions that have improved affordability.

In response to ongoing housing pressures, Stormont launched its Housing Supply Strategy in late 2024, targeting the delivery of 100,000 new homes by 2039. Meeting this goal requires an average of 6,667 completions annually. However, the 6,026 homes completed in 2024 fell short of this target, highlighting a growing mismatch between supply and demand.

Despite the recent recovery, several structural challenges remain. A lack of adequate wastewater infrastructure is widely reported to be slowing new development. Additionally, historically low unemployment levels are constraining the construction sector's capacity to scale up. Budget cuts to social housing are also a growing concern, with projections suggesting around 1,000 fewer homes will be delivered this year than planned, putting added strain on an already undersupplied market. The government's goal is to deliver 5,850 new-build social homes by 2027.

Looking ahead, there is cautious optimism. Interest rates are expected to continue falling, with two further cuts by the Bank of England anticipated before year-end. Forecasts suggest rates will settle at 3.5% by Q2 2026 and 3.6% by Q2 2027. While these cuts should support affordability and stimulate demand, the challenge remains: if supply fails to keep pace, upward pressure on prices is likely to persist.





# Contact

## Sean Cadogan

Economist, Researcher  
Sherry FitzGerald Group

**sean.cadogan@sherryfitz.ie**  
**+353 (0)1 237 6300**

## Jean Behan

Senior Economist, Head of Research  
Sherry FitzGerald Group

**jean.behan@sherryfitz.ie**  
**+353 (0)1 237 6300**

## Jane Dunne-Terry

Economist, Researcher  
Sherry FitzGerald Group

**jane.dunneterry@sherryfitz.ie**  
**+353 (0)1 205 1231**

## Simon Brien FNAEA

Managing Director  
Simon Brien

**simon.brien@simonbrien.com**  
**+44 (0)28 9066 8888**

## Samuel Dickey MRICS

Director  
Simon Brien

**samuel.dickey@simonbrien.com**  
**+44 (0)28 9059 5555**

## Thomas O’Doherty MRICS

Director  
Simon Brien

**thomas.odoherty@simonbrien.com**  
**+44 (0)28 9066 8888**

## Mark Leinster

Director  
Simon Brien

**mark.leinster@simonbrien.com**  
**+44 (0)28 9066 8888**

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