**AVERAGE HOUSE PRICE (BY COUNTRY), Q1 2007 – Q2 2023**

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**Observations**

**Northern Ireland**

The average house price was the **highest** of all UK countries in Q1 2007 at £204,276.

From this point Northern Ireland’s average house price continued falling until it then became the country with the **lowest** average house price in Q2 2010.

Northern Irelands average house price continued falling to its lowest average figure over this period of £105,413 in Q1 2013 – approximately a 49% drop since 2007.

The countries average house price has gradually increased since Q1 2013 however still remains as the country with the lowest average in the UK at £167,142 as of Q2 2023.

**Possible Explanations**

Global Financial Crisis (GFC): The global financial crisis that began in 2007 had a profound impact on the world's economies, including Northern Ireland. This crisis led to a credit crunch, tighter lending standards, and reduced access to mortgage financing. As a result, potential homebuyers found it more difficult to secure mortgages, leading to decreased demand for housing.

Overvaluation and Speculation**:** Prior to the financial crisis, there was a period of rapid house price growth in many regions, including Northern Ireland. Some of this growth was driven by speculative investing and the perception that house prices would continue to rise indefinitely. However, as the bubble burst, it led to a correction in house prices.

Tightened Lending Standards: In response to the financial crisis, banks and financial institutions tightened their lending standards, making it harder for individuals to secure mortgages. This reduced the pool of potential homebuyers and, consequently, demand for housing. Also factor in the average mortgage interest rate graph/table which shows the average rate was between 5.47-6.04% in 2007 and decreased quarterly throughout 2013 from 3.56% to 3.14% i.e. lower mortgage rates may have stimulated the return to average house price increases in Ireland from that period.

**England, Scotland, Wales**

Average house prices for these countries experienced a dip between approx. Q4 2007 and Q1 2009 however have all experienced gradual increases in average house price since.

**Possible Explanations**

Similar as above for Ireland

**AVERAGE HOUSE PRICE (NEW BUILD vs RESALE) OBSERVATIONS, Q1 2007 – Q2 2023**

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**Observations**

Based on all regions data and average sale price, new build properties are consistently more expensive than resale properties. Graphing the price differences over time there has been a more markable difference in price between Q3 2022 (£69,203 difference) and Q2 2023 (£127,643 difference)

**Suspected contributory factors:**

* Government backed Help to Buy Equity loan scheme being extended with completions required by end of March 2023 which is a scheme that is only designed to provide monetary assistance when purchasing a new build property.
* Increase to the stamp duty threshold for first time buyers in September 2022 which meant first time buyers are able to purchase a property for up to £425k without needing to pay any stamp duty (previously this limit was £300k)

**Other observations**

Rochford (close to seaside town of Southend on Sea): region in the UK during 2022-23 period that had the largest difference in average price where new build properties cost approx. £600k more than resale properties.

Kensington & Chelsea: region in the UK during 2022-23 period that had the largest difference in average price but with resale properties costing approx. £200k more than a new build property.