

Northern Ireland homebuyer enquiries slide but tight supply underpins prices – RICS

Homebuyer enquiries in Northern Ireland fell last month at the fastest rate since the early stages of the Covid-19 pandemic, but prices are still rising, according to estate agents.

The latest report from the RICS (Royal Institution of Chartered Surveyors) and Ulster Bank said the cost-of-living crisis and “wider economic challenges” have deterred new buyers from what had been a red-hot housing market, with buyer demand at its weakest since May 2020. Activity was also hit, with the number transactions falling in August, although agents said that will likely tick higher in next three months.

However, the longer-term picture for activity is not as positive with sales expectations “the most downbeat they have been since April 2020” as agents, for the third month in succession, said they expects sales volumes to be lower in a year’s time.

Despite the waning demand, the continued lack of new supply means the market remains underpinned and the majority of estate agents surveyed expect prices to continue to rise in the short-to-medium term. Respondents to the survey were the most positive of all UK regions when it comes to prices.

“Northern Ireland is seeing some scaling back of enquiries and demand from extremely high levels earlier in the year,” Samuel Dickey, RICS Northern Ireland Residential Property spokesman, said. “This was very much expected. But whilst lower than it was, demand is still outstripping supply. We continue to see properties selling, and asking prices being met and sometimes

exceeded. We are likely to see this lack of supply to be a significant factor in the market for the foreseeable and explains why surveyors expect price growth over the coming 12 months.”

Meanwhile, Ulster Bank said demand for mortgages has remained strong.

“Mortgage demand has been very good year-to-date, and our expectation is that there will continue to be good demand from homebuyers in Northern Ireland,” Terry Robb, Head of Personal Banking at Ulster Bank, said. “With regard to existing mortgage customers, we continue to see a strong demand for fixed rate mortgages as more and more customers are looking for certainty at this time.”