

PropertyPal's Price and Transaction Tracker

How PropertyPal has developed a new method to estimate future home sales and property prices in Northern Ireland

When making any purchase, we want to know we're getting a good deal. Whether it's a new car, a phone or broadband deal, we'll shop around for the right price. If it's an investment, we want to be confident its value will increase.

When it comes to buying a house; often the biggest financial commitment in your lifetime, why is there so little clarity on price? In Great Britain for example, there is significantly more transparent information about the housing market, including sales and property sold prices for individual homes. This isn't available in Northern Ireland and has been a key challenge for buyers, sellers and a range of property professionals alike.

Property purchases and sales decisions have been somewhat based on feelings and sentiment, rather than fact. That's why - here at PropertyPal - we're taking a step forward to improve transparency in the local property market.

And why us? With 100% of local estate agents, as well as 110,000 property searchers to the website every day, we're in a unique position to offer data-driven insights into underlying market performance.

Over the past six months, we've been analysing our listed properties alongside a wealth of data provided to us from colleagues at the Northern Ireland Statistics and Research Agency (NISRA). We've tracked aggregate sold prices of properties by different styles across almost 500 'micro-areas' in Northern Ireland since 2005 and are now able to showcase this data with our recently launched Price Tracker feature - which can be found on every listed property on our site. The Price Tracker will be updated on a quarterly basis following the release of NISRA's Residential Property Price Index.

Using our newly developed suite of economic forecasting models, we also provide our estimate of house prices until 2023, for every area and property style across the country.

This is the first time Northern Ireland will see housing market information at this level of detail in a format that's both accessible and valuable to everyone from buyers and sellers to banks, lenders and other property professionals.

Whilst this is a significant advance for Northern Ireland, it's a small step for us at PropertyPal in our mission to develop as an open, honest and informative platform for home buying and selling.

Furthermore, we're also building a Transaction Tracker tool; a model using PropertyPal's listed properties and website traffic data which predicts the number of homes sold each quarter, ahead of the official data being released.

We've spent some time testing our models, and the results are speaking for themselves, with property sales estimates and official sales figures closely aligning. Over the last seven years we have been accurate to within 150 quarterly transactions on average. PropertyPal's Transaction Tracker forecasts a strong end to 2019, predicting official statistics will report in the region of 6,750 properties sold in that time.

Looking forward, the outlook for 2020 also remains positive. There have been more properties coming to the market over the previous three months compared to the same period last year - suggesting there's no obvious slowdown in new instructions.

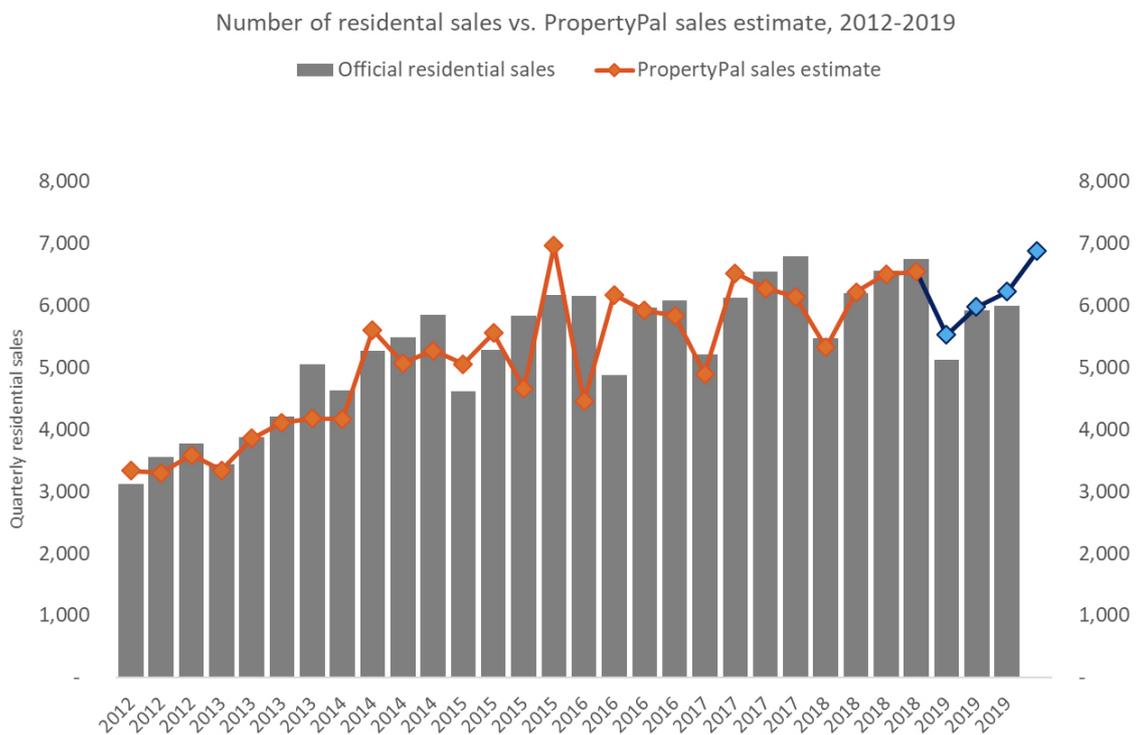
From a demand perspective, we have seen an 8% increase in unique visitors searching for properties for sale compared to last year - also suggesting the pool of prospective buyers remain strong. For context, unique visitors fell by 20% in Q3 2016 following the Brexit referendum as economic uncertainty and weaker confidence commenced.

PropertyPal's Transaction and Price Trackers have the potential to be leading barometers of Northern Ireland's economic performance and consumer sentiment towards the property market. It's our goal to ensure these new tools offer better market intelligence, helping inform home movers and property professionals across the country.

Jordan Buchanan, Chief Economist, PropertyPal

Visit the price tracking tab of any PropertyPal listed home now or follow PropertyPal's Chief Economist Jordan Buchanan at @jbuchanan0707 on Twitter for more industry insights.

Figure 1: Official recorded residential sales vs. PropertyPal's sales estimate



Source: PropertyPal