



HOUSING MARKET IN TYNE & WEAR

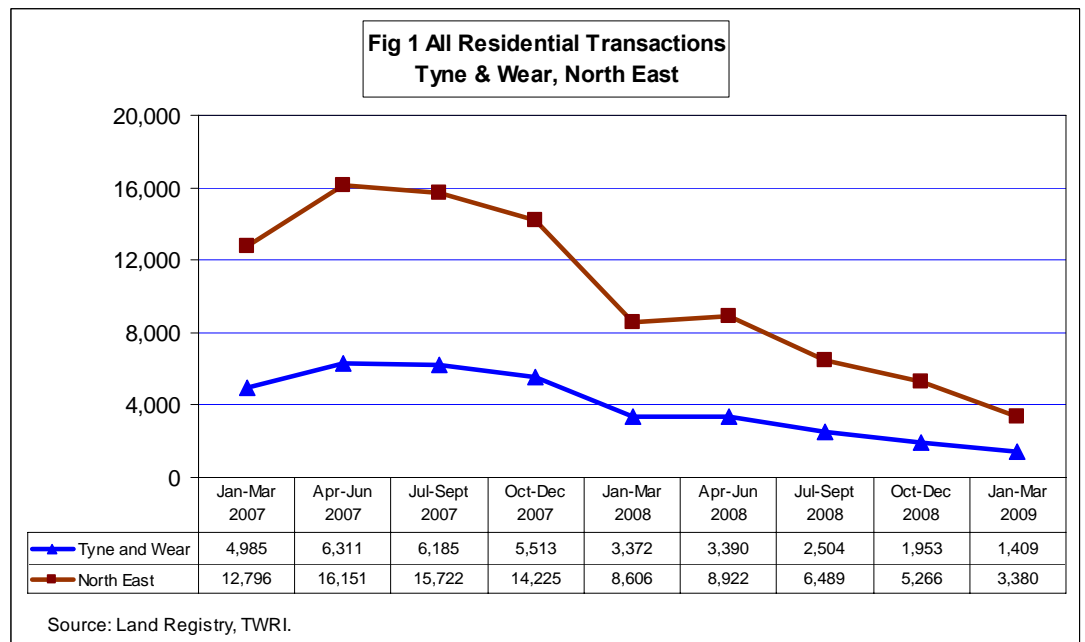
This bulletin provides a summary of Land Registry house price and transaction data¹ for Tyne & Wear both before and during the credit crunch and subsequent recession.

The UK experienced two consecutive quarters of negative economic growth in the second half of 2008, meeting the widely accepted definition of a recession. This followed the UK housing market suffering from late 2007 as global concerns about the value of bank assets caused a sharp restriction of funding for the banks. In the UK, this credit crunch became apparent in September 2007 when the Bank of England gave emergency financial support to Northern Rock.

Comparing Q1 2007 to Q1 2009, in Tyne & Wear:

Sale volumes for all four house types were substantially lower in Q1 2009, most noticeably for flats (down 77%), although the largest absolute fall was for terraced houses (-1,274). The overall number of transactions was 72% lower. In comparison, the overall average sale price fell by a relatively modest 5.4%. By type, the largest fall was for detached houses (down 15%), the smallest for flats (-3%).

Transactions - Time Series



Comparing Q1 2007 to Q1 2009, in the North East:

Sale volumes for terraced houses and for flats were each down by three-quarters. The falls for detached and semi-detached houses were each about 72%. Overall, transactions in the North East were down by 74%. The overall average sale price fell by 4.7%. By type, the largest fall was for detached houses (down 8%) and the smallest fall was for terraced (-3%). In both cases the region did better than Tyne & Wear. Conversely falls for semi-detached houses and for flats were steeper regionally.

Tyne & Wear's Share of North East Sales by Type, January to March Quarter

Table 1 Tyne & Wear Share of North East Sales (in January-March Quarter)

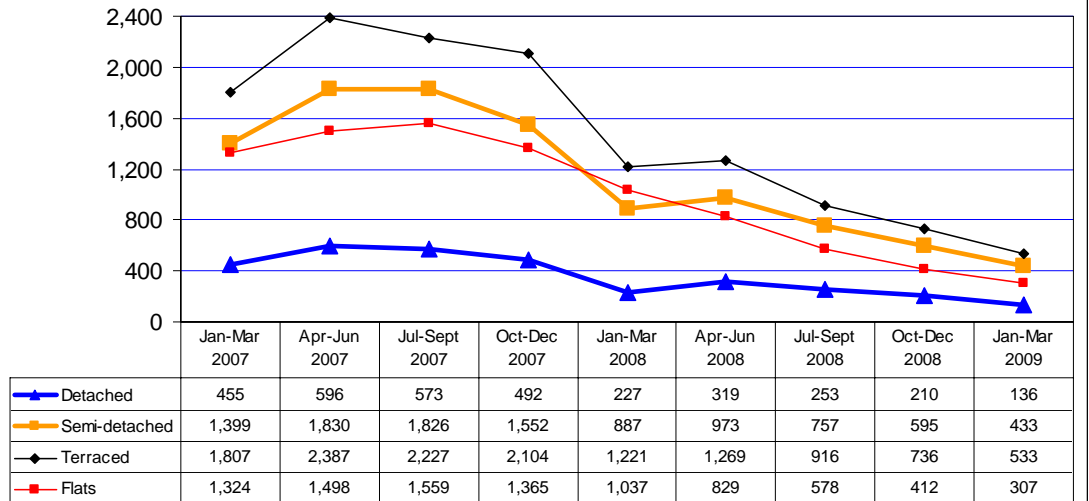
	2007	2008	2009
Detached	24%	20%	26%
Semi-Detached	36%	35%	39%
Terraced	35%	36%	41%
Flat/Maisonette	74%	68%	68%
All	39%	39%	42%

Source: Land Registry, TWRI.

¹ Land Registry data are subject to revision and recent quarters should be considered provisional.

Transactions by Type, Time Series

Fig 2 Quarterly Residential Transactions by Property Type, Tyne & Wear

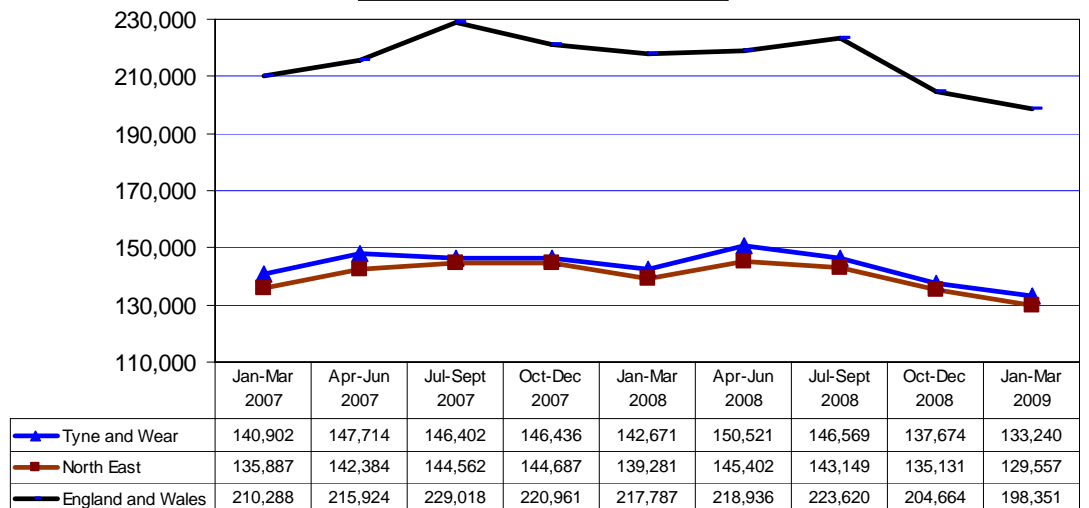


Source: Land Registry, TWRI.

Overall House Prices Quarter 1 2009

- The average (mean) house price in Tyne & Wear was £133,200, (Q1 2009; Land Registry data), £3,700 higher than in the North East (£129,600).²
- The average (mean) house price in Tyne & Wear was 5.4% lower (-£7,700) in Q1 2009, compared with Q1 2007. The North East fall was 4.7% (-£6,300).

Fig 3 Quarterly Average Price (£) All Residential Transactions



Source: Land Registry, TWRI.

TWRI will be releasing a set of Annual House Price reports in July; a Tyne & Wear report and five District reports. The reports give an overview of the housing market³ in Tyne & Wear and its constituent Districts in 2007 and 2008. Comparisons are made with Tyne & Wear, the North East and, where possible, England & Wales. The Tyne and Wear report includes data on mortgage lending and information on house price to earnings ratios.

² Figures may not sum due to rounding.

³ For owner-occupiers.