

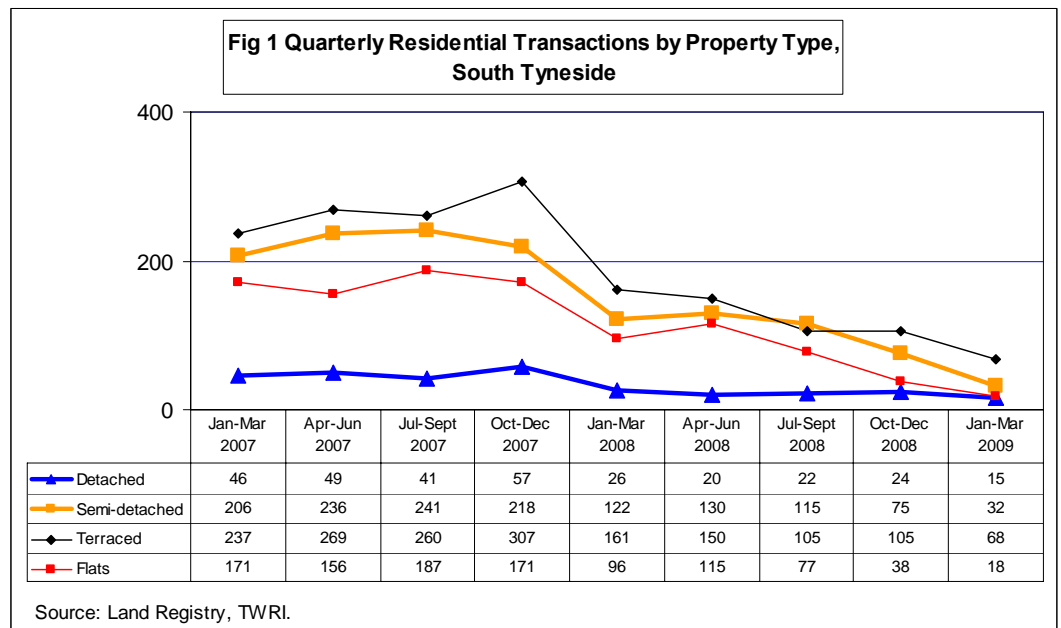
This bulletin provides a summary of Land Registry house price and transaction data¹ for South Tyneside both before and during the credit crunch and subsequent recession.

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 South Tyneside:

Sale volumes for all four house types were substantially lower in Q1 2009, most noticeably for flats, down by about nine-tenths, although the largest absolute fall was for semi-detached houses (-174). The overall number of transactions was four-fifths lower. In comparison, the overall average sale price fell by 12.2%. By type, the largest fall was for flats, down by almost a third, equivalent to an absolute fall in the average sale price of £35,400.²

Transactions by Type – 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%). Regionally average sale prices performed well compared to South Tyneside. This was especially noticeable for flats, where the regional fall (-4%; -£4,900) was less than a seventh of the District fall.

South Tyneside's Share of Tyne & Wear Sales by Type, January to March Quarter

Table 1 South Tyneside Share of Tyne and Wear Sales (in January-March Quarter)

	2007	2008	2009
Detached	10.1%	11.5%	11.0%
Semi-Detached	14.7%	13.8%	7.4%
Terraced	13.1%	13.2%	12.8%
Flat/Maisonette	12.9%	9.3%	5.9%
All	13.2%	12.0%	9.4%

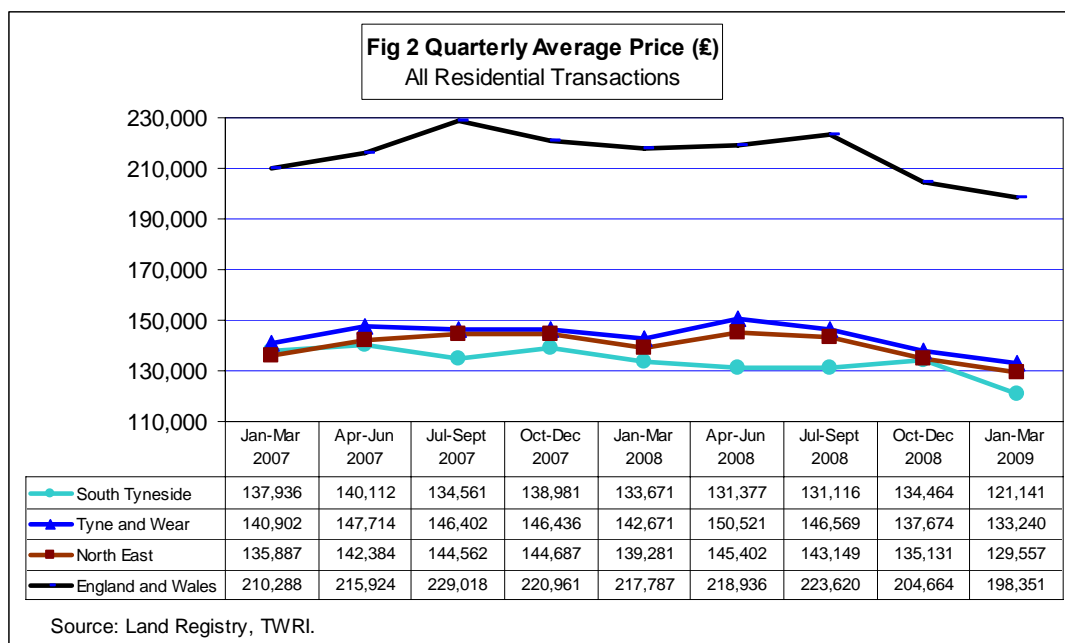
Source: Land Registry, TWRI.

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

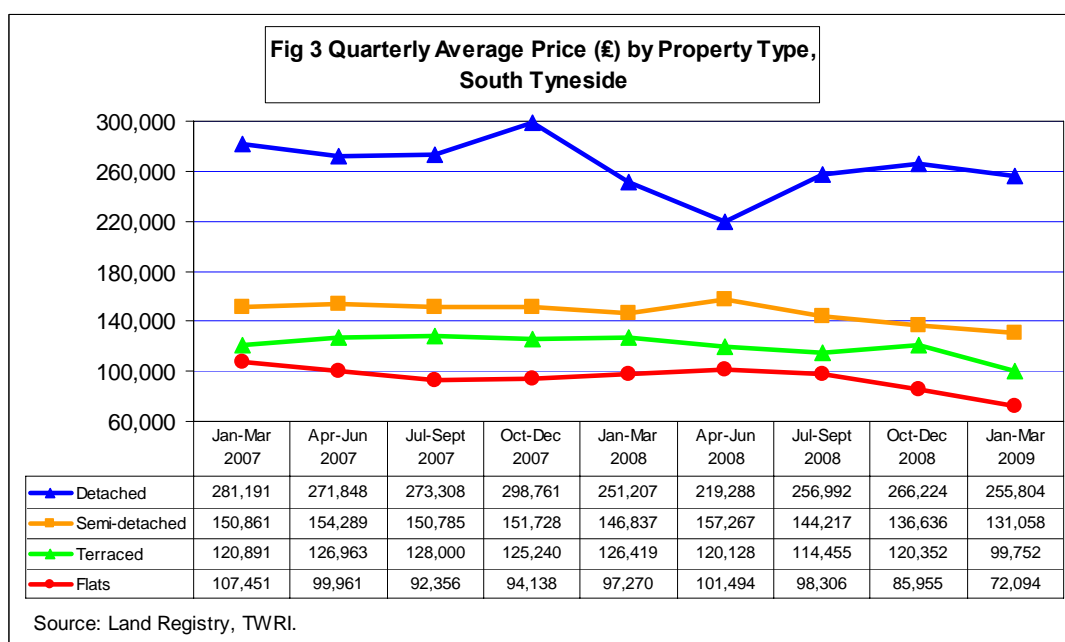
² In the latest quarter, there were only 18 sales of flats. This is unusually low, even for a first quarter, and may reflect the particular difficulties first-time buyers face in obtaining a mortgage.

Overall House Prices Quarter 1 2009

- The average (mean) house price in South Tyneside was £121,100 (Q1 2009; Land Registry data), £8,400 lower than in the North East (£129,600).³
- The average (mean) house price in South Tyneside was 12.2% lower (-£16,800) in Q1 2009, compared with Q1 2007. The Tyne and Wear fall was 5.4% (-£7,700). The North East fall was 4.7% (-£6,300).



House Prices by Type, January to March Quarter



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 market⁴ 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.

³ Figures may not sum due to rounding.

⁴ For owner-occupiers.