

RESULTS OF A SURVEY OF MEMBERS OF THE INSTITUTE OF PROFESSIONAL AUCTIONEERS & VALUERS CARRIED OUT FOR RTE NEWS

MORE THAN HALF OF HOUSE-SELLERS REDUCING THEIR PRICES MORE THAN TWICE - SURVEY

More than half of house-sellers are reducing their prices more than twice, according to a new survey of auctioneers.

The survey carried out on for RTE News by the Institute of Professional Auctioneers and Valuers among members nationwide shows that an average of 11 per cent of sellers reduce their prices once, 35 per cent twice and 54 per cent more than twice before securing a sale.

The survey also found that it now takes in excess of six months on average to secure a sale while eight out of 10 auctioneers say the market situation is now much worse than this time last year.

The survey also found:

- The average cost of a 3-bed semi nationally is now €249,000
- The average cost of a 2-bed apartment nationally is now €194,000
- The average cost of a 3-bed semi in Dublin is €468,000
- The average cost of 2-bed apartment in Dublin is €327,000
- The average cost of a 3-bed semi outside Dublin is €226,000
- The average cost of a 2-bed apartment outside Dublin is €178,000
- 44 per cent of vendors set unrealistic asking prices
- Properties at the higher end of the market are proving by far the most difficult to sell
- 80 per cent of auctioneers are still selling an average of 2.6 houses per month
- But almost 18 per cent of auctioneers are not achieving any sales

Comments by IPAV members attached to the survey pinpointed the lack of finance from the banks as the single biggest problem in re-starting the market.

One typical comment reads: “Disaster, thanks to the banks,” while another says: “Great demand for property but no finance available.”

Commenting on the survey, IPAV President Alan Redmond said: “The survey findings bear out what is clear on the ground, namely, that the property market has taken a severe tumble in the past two years and sellers and estate agents are both suffering the consequences.”

But, he added that the figures show people are gradually facing up to the new reality and are becoming more realistic in their asking prices. Such realism would help to underpin the market in the Spring of 2009.

“One of the biggest stumbling blocks is clearly securing credit particularly by first-time buyers and the imminent recapitalisation of the banks should begin to ease matters and hopefully we can look forward to the market being re-energised in 2009,” said Mr Redmond.

The ECB is also expected to cut rates by a further half point this Thursday having cut its base rate from 4.25 per cent to 3.25 per cent in recent months. This, too, would be of major benefit, he said.

He continued: “The new Home Choice scheme announced recently by Housing Minister Michael Finneran will also help to create movement in new houses for first-time buyers but some real incentive will be necessary to generate activity in the traditional trading up and down market in second-hand homes.”

The new €200 levy on investment properties and the costs associated with providing the new energy rating certificates with all homes being sold or rented in 2009 is also providing an impediment to generating confidence in the property market, added Mr Redmond.

(Please see attached table)

Ends

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