

Monday 28th March, 2022

HOUSE PRICES --FACTORS IMPACTNG SUPPLY GETTING WORSE - IPAV

Commenting on today's Daft.ie House Price Report for Q1 2022 IPAV, the Institute of Professional Auctioneers & Valuers, said there is a worrying lack of properties for sale and the factors impacting supply would seem to be getting worse rather than better.

Pat Davitt, IPAV Chief Executive said: "The lack of supply may not be as severe as the 10,047 on 1st March as indicated in this report, since most auctioneers now have a pipeline of buyers already on their books. This means they can sell properties without the need for such online marketing.

"Nonetheless, it's important to acknowledge that lack of supply is a major issue," he said.

And he said the warning at the weekend from the building industry about the escalating costs of construction leading to the unviability of some building projects was "disquieting".

He said there is a myriad of factors impacting supply, some old such as the difficulty for SME builder/developers accessing finance and some new, such as the escalating costs of construction.

"Then we have conundrums such as the current mortgage rules, which require that second and subsequent buyers have a 20 per cent deposit as opposed to 10 per cent for first-time buyers.

"This is a huge hurdle preventing many who bought in the years prior to the financial crash from moving on to more suitable homes to meet their needs, and for which they could service a mortgage sustainably, were it not for the 20 per cent deposit requirement.

"That movement needs to be facilitated, it would also make more existing homes available for FTBs," he said.

He noted that the latest Daft.ie report has found that almost half of those looking to buy a home were waiting to accumulate a deposit

"The whole issue is quite worrying if we are facing into a market where interest rates are going to increase. That would exacerbate affordability for many on modest incomes who have been diligently planning to achieve home ownership," he said.

Mr Davitt said he believed the Housing Commission recently set up by the Minister for Housing represented "the final realistic chance of pulling deeply fragmented housing policy together."

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