

Tuesday 19th January, 2021

Press Release

CSO HOUSE PRICE INDEX – HOUSING DEMAND SEVERELY OUTSTRIPPING SUPPLY

IPAV Calls for Urgent Setting up of Housing Commission

Commenting on today's CSO Residential Property Price Index for November IPAV, the Institute of Professional Auctioneers & Valuers, said the slight overall increase in prices nationally may well have moved further in recent months and "defies inaccurate predictions of major price drops when the Covid-19 pandemic hit in the Spring of 2020."

Pat Davitt, IPAV Chief Executive said, however, that the decline of 4.3pc in the Mid-West region was "somewhat surprising, given a discernible increase in demand for rural homes as a response to Covid-19 and an acceleration in the practice of working from home."

He said there is a scarcity of property hardly ever seen in Ireland before. "The big trend right now is agents seeking properties for buyers with anything up to 60pc of them in a position to buy without a mortgage." And he said while affordability is an issue in urban areas properties outside of these areas are still cheap but the Central Bank macroprudential mortgage rules are far too severe on those on average wages.

"Ironically interest rates are lower than they have ever been, even if they are still much higher than the euro area average; fixed mortgages are now available for up to 10 years and rents are substantially higher than mortgage repayments.

"While there is housing stock available in rural areas there is a severe lack of properties in areas of strongest demand," he said.

He pointed to CSO data showing there were only 5,118 new dwelling completions in Q3 2020, a 9.4pc drop on the 5,652 completions in Q3 2019.

He also said the Housing Commission promised in the Programme for Government needs to be set up urgently and involve all stakeholders in the housing market.

"Isolated policy interventions over recent years have plagued the market delivering severe unintended consequences."

Ends