

Friday 12<sup>th</sup> August, 2022

## **HOUSE PRICES – INTEREST RATE RISES AND INFLATION PREDICTED TO CURB INCREASES IN LATTER PART OF YEAR**

Commenting on today's CSO Residential Property Price Index for June, IPAV, the Institute of Professional Auctioneers & Valuers, said while there is double digit growth in all 20 areas captured in the index, with a number even close to or at 20pc especially in the border region, auctioneers are reporting a less strong second half of the year.

Pat Davitt, IPAV Chief Executive said the CSO index is already showing a slowing in the rate of increase across recent months.

“With interest rate increases and economic concerns arising from rapidly rising inflation which topped 9.1 per cent in June it is bound to impact the market, despite record high demand and a severe shortage of supply, although improving, ” he said.

He said it is not a desirable situation that house prices would continue to rise at current levels.

“Much remains to be done at policy level to increase the supply of homes, along with adjustments to the macroprudential mortgage rules to make home ownership more attainable for those on average wages,” he said.

IPAV yesterday called for mortgage terms to be extended for periods of up to 40 and 50 years to address the current situation where home ownership has effectively, it says, has become the almost exclusive preserve of those on higher incomes.

In a pre-Budget submission to the Government the organisation also calls for an extension of the Help-to-Buy scheme for a further three years and that the scheme should have an income limit for qualification so that high income households, such as those earning over €250,000, no longer qualify for the scheme.

Ends