

Wednesday 14th December, 2022

HOUSE PRICE INCREASES PREDICTED TO COME IN AT ABOUT 8pc OVERALL FOR THE YEAR - IPAV

Commenting on today's CSO Residential Property Price Index for October, IPAV, the Institute of Professional Auctioneers & Valuers, said the slowing rate of increase in prices is likely to result in an overall increase in of about 8pc for the year.

Pat Davitt, IPAV Chief Executive said there are now variations in prices across the country not experienced before.

"While today's overall index is 2.9pc above its highest level at the peak of the property boom in April 2007 we now have huge variations in prices between and within counties with some areas experiencing very strong growth while others are substantially lower.

"This is in contrast to 2006/7 when prices rose at broadly similar rates across the country.

"Today's index shows a very strong 16.3pc increase in houses in the West of the country. The lowest median price for a dwelling was €148k in Longford. Houses in Longford typically commanded prices of between €220k and €250k in the 2006/7 period."

Mr Davitt said such variations impact house building. "Houses for these lower prices are well below the cost of building them. Therefore, such areas will not attract new builds while houses are available for sale at much lower prices," he said.

But he said other factors are also at play, particularly increasing interest rates and very high levels of inflation in building costs.

He said while dwelling completions were up over 62pc year-on-year in Q3 this year there was a worrying drop of 22pc in commencements in the same period.

IPAV has 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, become the almost exclusive preserve of those on higher incomes.

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