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House Prices – Market Impediments Likely To Keep Prices Elevated - IPAV

Commenting on today's Daft.ie House Price Report for Q2 2022 IPAV, the Institute of Professional Auctioneers & Valuers, said it is too early to say what impact, if any, rising interest rates will have on property prices.

Pat Davitt, IPAV Chief Executive said: "One would have to think that with strong pent-up demand, a growing population, excessive rental prices and a slow if growing number of new builds, prices could stay elevated through a cycle of interest rate rises, depending on the extent of such rises.

"One of the somewhat hidden factors in housing is the growing intergenerational support by parents attempting to get their children a foothold in the property market.

"That will continue because it makes sound long-term financial sense, especially now with good long-term fixed interest rate mortgages but of course it favours those with more resources.

"The ambition for home ownership should be achievable by large swathes of the population, not just those fortunate to have family support and those on higher incomes."

He said overall there has been far too much State intervention in the property market resulting in unintended consequences.

"State concentration should prioritise the building of affordable homes, including dealing more urgently with onerous planning impediments. And there is still a real problem with access to finance for SME builders throughout the country," he said.

"Building is mostly the preserve of large operators with the support of international finance. This is despite a €750 million Government fund being set up for this purpose some years ago."

He said it is now clear from the census figures that there are large numbers of vacant and derelict properties throughout Ireland. "We need a serious effort to get these back into the housing stock and this can be done with a little thinking outside the box."

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