

Wednesday 16th March, 2022

CSO HOUSE PRICE INDEX --MORE NEEDS TO BE DONE TO MAKE HOME OWNERSHIP MORE AFFORDABLE - IPAV

Commenting on today's CSO Residential Property Price Index for January IPAV, the Institute of Professional Auctioneers & Valuers, noted that over 82 per cent of dwelling purchases in January involved existing dwellings, highlighting both the insufficient number of new properties coming on the market and, to a lesser extent, the stronger demand arising from new working norms and workers being priced out of Dublin that are increasing the appeal of areas such as the South-East and the Midlands.

Pat Davitt, IPAV Chief Executive said the very high increase in the Border region, 24.7pc in the year to January, is likely driven by an approximate 15pc sterling advantage in purchasing power to Northern Ireland buyers, together with the increased appeal of Southern Irish property addresses, within the EU but as close to the Border as possible, arising from Brexit.

"It is not a desirable situation that house prices would continue to rise at these levels," he said.

"They may slow somewhat with the prospect of an increase in interest rates towards the end of this year, and economic concerns arising from rapidly rising inflation and related uncertainty around the invasion of Ukraine," he said.

"It would be a far healthier situation if we were to see prices tapering on the basis of an increase in supply.

"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.

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