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HOUSE PRICE INCREASES SLOWING BUT ECB INTEREST RATE HIKES WORRYING CONSUMERS – IPAV

Commenting on today's CSO Residential Property Price Index for August, IPAV, the Institute of Professional Auctioneers & Valuers, says the slowing rate of increase in prices is in line with IPAV's own findings in its six monthly barometer of prices achieved by auctioneers.

Pat Davitt, IPAV Chief Executive said: "There has been a change in the middle of the year where price increases slowed. And there are more properties coming on the market which now gives choice to purchasers.

"This slowing of increases is continuing, particularly with the impact of ECB interest rate rises with the threat of further to come by the end of the month.

"These are impacting affordability and they are worrying people because no one knows how high they could go.

"One has to wonder at the rationale for such interest rate hikes, given the pressures consumers across Europe are under," he said.

Research by the Economic and Social Research Institute (ESRI) has found that the share of 25-34 year olds who own their own home more than halved between 2004 and 2019, falling from 60pc to just 27pc.

"This is not good for young people and it is not good for the cohesion of our society," Mr Davitt said.

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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