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HOUSE PRICE INCREASES SLOWING BUT ECB INTEREST RATE HIKES WHACK CONSUMERS - IPAV

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

Pat Davitt, IPAV Chief Executive said: "There was a noticeable change in the months of May and June where price increases slowed.

"We see this trend continuing. However, what is truly unfathomable is the major increases taking place in the ECB interest rates, 0.5 per cent in July and a further 0.75 per cent in August."

He said the current very high level of inflation is being driven largely by the energy crisis arising from the invasion of Ukraine by Russia.

"It is largely outside the control of consumers who are going to be whacked by such increases with further rises threatened.

"The old Mark Twain adage springs to mind about a banker being a fellow who lends you his umbrella when the sun is shining, but wants it back the minute it begins to rain."

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.

In its pre-Budget submission to the Government IPAV also called 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 no longer qualify for the scheme.

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