

Sunday 11<sup>th</sup> September 2022

## **LATEST PROPERTY PRICE BAROMETER INDICATES SENTIMENT CHANGING – IPAV**

The latest Residential Property Price Barometer from IPAV, the Institute of Professional Auctioneers & Valuers, covering the first half of 2022 shows an overall price increase of 6.36 per cent on the previous six months.

IPAV's Barometer records prices actually achieved by auctioneers rather than asking prices, for three and four-bedroom semi-detached homes and two-bedroom apartments. In the 3-bedroom category among the highest increases were Galway City (12.9pc), Clare (11.52pc) Carlow (10.98pc) and Waterford (10.77pc).

In the four-bedroom category the top increases took place in Roscommon (10.42pc); Wicklow (10.28pc); Clare (9.81pc) and Limerick (9.79pc)

Pat Davitt, IPAV Chief Executive, said however, that there was a noticeable change in the level of increases in the latter two months. "In the first four months the overall increase would have been of the order of 10per cent but changes during May and June brought the six months figure to 6.36 per cent.

"In the latter two months the practice of increasing reserves - where the price expectations of neighbourhood sellers tend to escalate when a property achieves a particular level - had almost disappeared."

He said in the period ahead the level of price increases is likely to slow further. "In the next six months we would expect prices to taper to about the 2 per cent mark with some of the more expensive areas experiencing no increases at all."

A correction took place in Dublin 4 house prices between 2017 and 2022 that has taken five years for prices to achieve the same level again, he said.

Mr Davitt said increasing interest rates "are bound to dampen sentiment, especially with the hike of 1.25 per cent already and further to come."

He said it was disappointing to see last week's CSO data showing the residential sector reduced its volume of output by 2.9per cent on a seasonally adjusted basis between Quarter 1 2022 and Quarter 2 2022.

"If we can get to a stage where output grows closer to demand that would be a very desirable situation and it would create stability," he said.

Ends