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## **CSO House Price Index - Despite Headline Figures Homes Still Available For Less Than The Cost Of Building - IPAV**

“Maintaining the existing situation will, in effect, amount to a worsening of the housing crisis,” - Pat Davitt, IPAV CEO

Commenting on today’s CSO Residential Property Price Index for November, IPAV, the Institute of Professional Auctioneers & Valuers, said the slowing rate of increase in prices is in line with what auctioneers throughout the country are reporting.

Pat Davitt, IPAV Chief Executive said: “There are geographical variations, some of a magnitude not seen before and arising from new working norms.

“While the West generally is showing a rise of 15.6pc, it should be remembered that this figure is coming from a low base price. The index is showing the median price of €125,000 for the Ballyhaunis area, a price at which it would be unviable to build a new home,” he said.

Mr Davitt said overall the figures point to a stabilisation in prices for the first quarter of this year at least.

He said the numbers of sales this year is likely to be back to 2019 levels when 45,276 purchases were filed with Revenue.

And he said auctioneers are reporting that two in every four properties being sold are accounted for by private non-institutional landlords leaving the market, arising from the constantly changing and very challenging regulatory and taxation environment that treats private landlords very differently from institutional landlords.

Mr Davitt said areas in which the price of homes is below the cost of building them will not attract new builds while this situation maintains.

“Increasing interest rates and very high levels of inflation in building costs are also impacting. So, new measures being promised by the Government are eagerly awaited. And the nature of these will dictate whether or not we move forward in terms of improving property supply and affordability.

“Maintaining the existing situation will, in effect, amount to a worsening of the housing crisis,” he warned.

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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