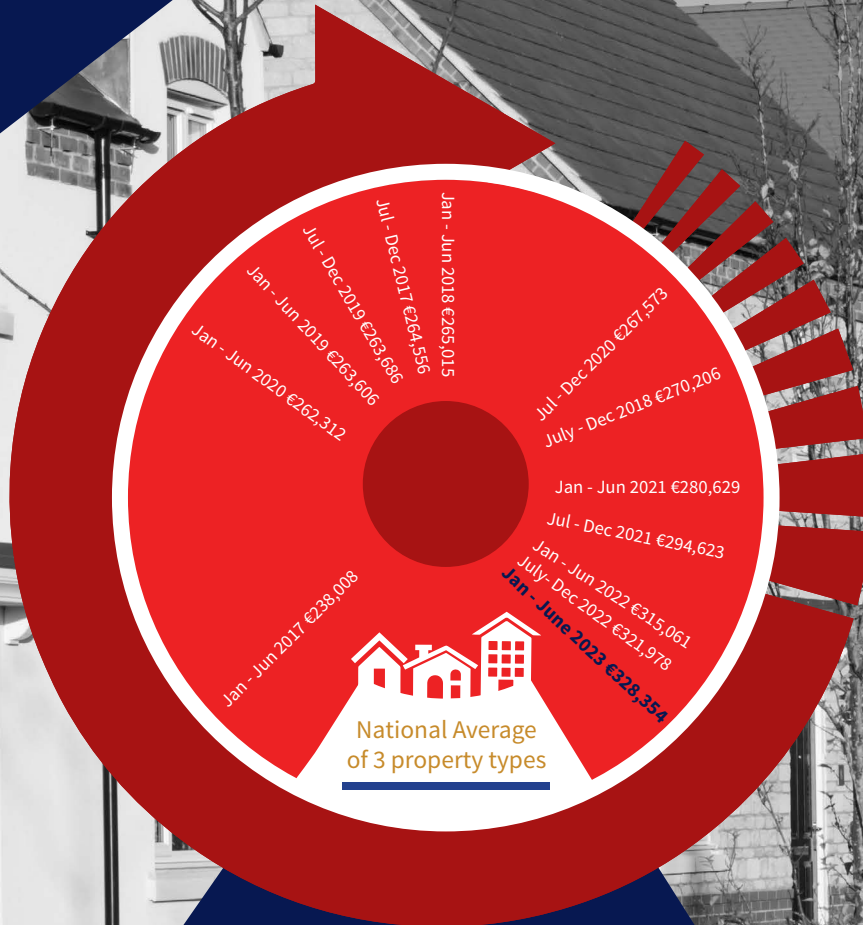




Institute of Professional Auctioneers & Valuers

IPAV Residential Property Price Barometer Results for Jan – June 2023



**Most Recent Average Price
Jan – June 2023 €328,354**

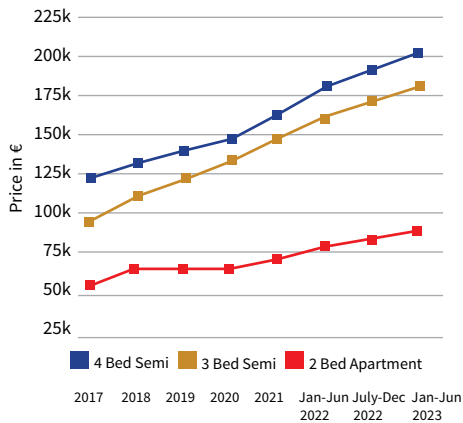
**The Voice of Auctioneers
& Valuers in Ireland**

Prices Stabilising but Housing System Needs Reform

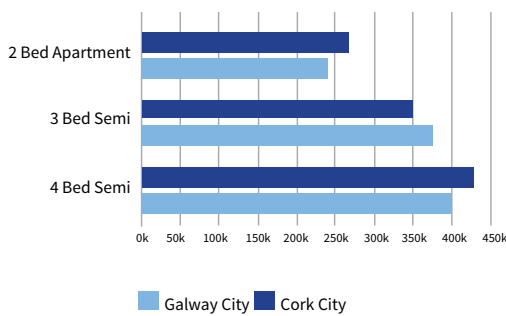
by Pat Davitt IPAV Chief Executive



Six months ago, we said demand for homes was likely to keep prices elevated and that is what has transpired in our latest Residential Property Price Barometer capturing prices actually achieved by auctioneers for three- and four-bedroom houses and 2-bedroom apartments in the first six months of 2023.



Property Price Fluctuation by Year - By Location Price fluctuation by year in "Longford"



Property Price Fluctuation by Year - By Location Comparison of property prices between Cork City and Galway City in Jan-Jun 2023

Overall, it has found a 2.05% increase in the period, compared with 2.44% in the previous six months. Increases have generally been in the range of four to six percentage points with price drops in the two percent range in some Dublin districts and in the apartment category, a more difficult area for comparables, bringing the overall barometer to the 2.05% figure.

Agents are reporting that a large proportion of sales are still emanating from landlords leaving the market. Many of these properties are being bought by renters, opening up rental space for others.

With the combination of the Local Authority scheme to purchase properties for Housing Assistance Payment tenants; some renters buying their rented properties and others moving from being renters to become buyers, it is unlikely that the Notices of Termination in the private rental sector are as closely linked to the homelessness figures as some commentators would suggest.

The first anniversary of annual tenancy registration with the Residential Tenancies Board has now passed and we still await the detail on the numbers of tenancies and rental levels, as opposed to the limited data published quarterly on new rentals.

My expectation is that when they emerge the number of tenancies will be substantially lower than the figures quoted for years, as a large percentage of those tenancies would not have been notified to the RTB when the properties were sold.

There are also many properties taken out of the market by landlords, some fearing further excessive regulation in the period prior to the eviction ban being lifted in April, and others with low rents waiting for the two-year period to expire before putting their properties back into the marketplace and being able to charge market rent.

In terms of home ownership recent figures from Eurostat show that in Ireland 68pc of those aged between 25 and 29 were still living at home last year compared with an EU average of 42pc.

In a country with a thriving economy, we're clearly not meeting the needs of our younger generations. There may be no shortage of finance at Government level but a chaotic, disjointed system, lacking expertise and making decisions in the absence of quality data, combined with a demonization of builders and developers, is a very sick system that needs, not so much money as radical reform. But is there an appetite for it?

Across the following pages you will see the county-by-county breakdown of prices achieved by auctioneers along with a full analysis of the figures.

As ever I want to thank IPAV members for contributing to this market leading study.

Further Signs that House Prices are Stabilising

By Donal Buckley



Further signs that house prices are stabilising are reflected in the latest House Price Barometer from the Institute of Professional Auctioneers & Valuers. As many as 36 of the 41 markets surveyed showed small average price rises only one of which was over 5pc. Meanwhile the five which dipped confined their falls to less than 1pc when averaged across the three most popular housing types.

On average, overall prices rose by 2.05pc during the first six months of 2023 which is similar to the 2.44pc increase seen in the preceding six months during the second half of 2022. These figures are based on sales recorded in the Property Price Register.

On closer inspection of the different markets, there has been a further narrowing of the gap between prices in the most expensive and the cheapest areas in the country.

Indeed, some dwellings in some of the more sought-after areas of Dublin have seen more noticeable softening. In contrast some of the traditionally cheapest regional markets have seen the strongest growth which appears to reflect the value for money and affordability in regional markets. The latter may also have been helped by increased desire to work from home in regional areas rather than in Dublin. After all, it makes more financial sense to buy a reasonably priced asset in the regions rather than pay expensive rent in the city from which there is no payback.

Four-bedroom semi-detached houses

In the four-bedroom semi-detached housing markets the strongest price growth was seen in County Mayo where four beds rose by 5.97pc to an average of €236,667. In Cavan they rose 5.88pc to €225,000 which is the fifth cheapest price in the country.

Longford, which remains the cheapest in the country for four beds at an average of €200,100, saw prices for these houses rise 5.32pc followed by Donegal with a 5.17pc rise to €203,334 – the second cheapest in the country. Roscommon is third cheapest despite rising 4.22pc to €205,500 and Leitrim is fourth cheapest after rising 4.76pc to €220,000.

Laois saw the fifth strongest growth – up 4.94pc to €258,492. In contrast the sharpest price declines for four-bedroom semi-detached houses were seen in Dublin 2 and 4.

In Dublin 4, four beds dipped 1.89pc to €1.3 million which is still the highest price in the country and in Dublin 2 they dipped 2.27pc to €860,000 but that is still the third highest price in the country.

The midland counties of Westmeath and Offaly also saw a very slight softening, but they were only down about 1pc which is practically unchanged.

Bang for buck

Another interesting aspect of the four-bedroom survey is the light it throws on value for money in Dublin. While Dublin 4 houses might be the most expensive at an average of €1.3m, when analysed on a price per square metre basis they are better value than those in neighbouring Dublin 2 and Dublin 6.

Size matters

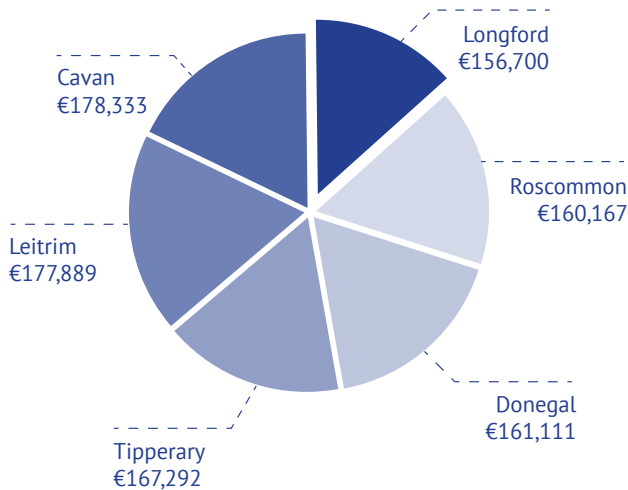
Dublin 6 recorded the second most expensive four bed semis with a 2.29pc rise to just under €1.08 million but that price equates to €7,404 per square metre which are the most expensive in the country. Those in Dublin 2 equate to €6,615 per square metre which are also more expensive than those in Dublin 4 which average €6,274 per square metre. This suggests that the average high prices in Dublin 4 are not alone based on the reputation of the area for some of the most expensive prices, but also on house sizes which on average are much bigger than other south city four beds.

At the other end of the scales, Donegal houses offer best value in the Republic at only €1,469 per square metre followed by Longford at €1,539 per square metre and Roscommon €1,581.

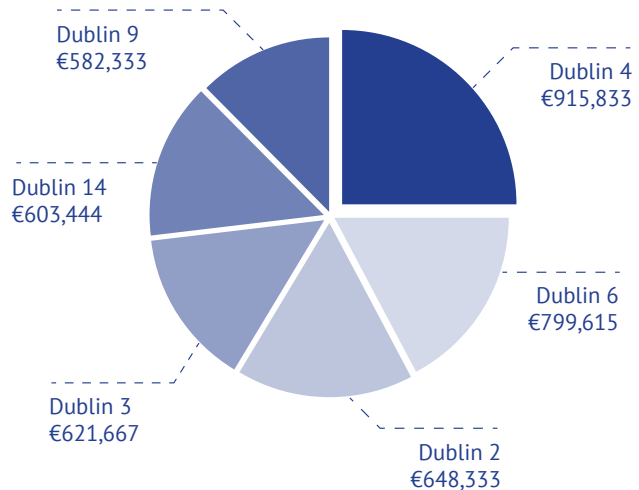
Top Six Least and Most Expensive Locations

Results for Q1 and Q2 2023

Least Expensive



Most Expensive



These figures are an average across the three property types – three and four-bedroom semi-detached houses and 2-bedroom apartments.

Three-bedroom semi-detached houses

A similar pattern is seen in the upper end of the Dublin market when it comes to three-bedroom semis. Dublin 6 again leads the way at €7,413 per square metre followed by Dublin 2 at €6,600 per square metre and Dublin 4 at €6,404 per square metre.

At the other end of the scales Donegal offers best value and is ranked first with the cheapest three-bedroom semis averaging €171,667 or €1,543 per square metre. It was one of six markets to show no change in prices for three-bedroom semi during the six months.

Roscommon was second cheapest for three-bedroom semis at €178,750 equating to €1,696 per square metre. While Longford prices house prices were third cheapest at €180,000 their costs per square metre was higher at €1,800 per square metre compared to neighbouring Leitrim where the average €185,000 three bedroom semi equates to a more economical €1,750 per square metre.

A key factor in the change in Longford's fortune was the 5.88pc spurt in its price growth which was the strongest in the three-bedroom sector reflecting a big turnaround for a market which for years has languished at the bottom of the IPAV barometer.

In Dublin 14, which includes Dundrum and Clonskeagh, three-bedroom houses recorded the second strongest house price growth – up 4.81pc to €645,000. It was followed by Leitrim which rose 4.72pc and Meath which rose by 4.65pc to €337,500. Cork City three-bedroom houses also rose relatively strongly – up 4.49pc to €348,750.

Apartments

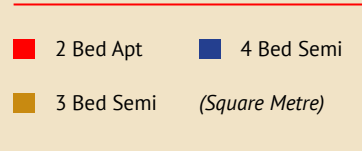
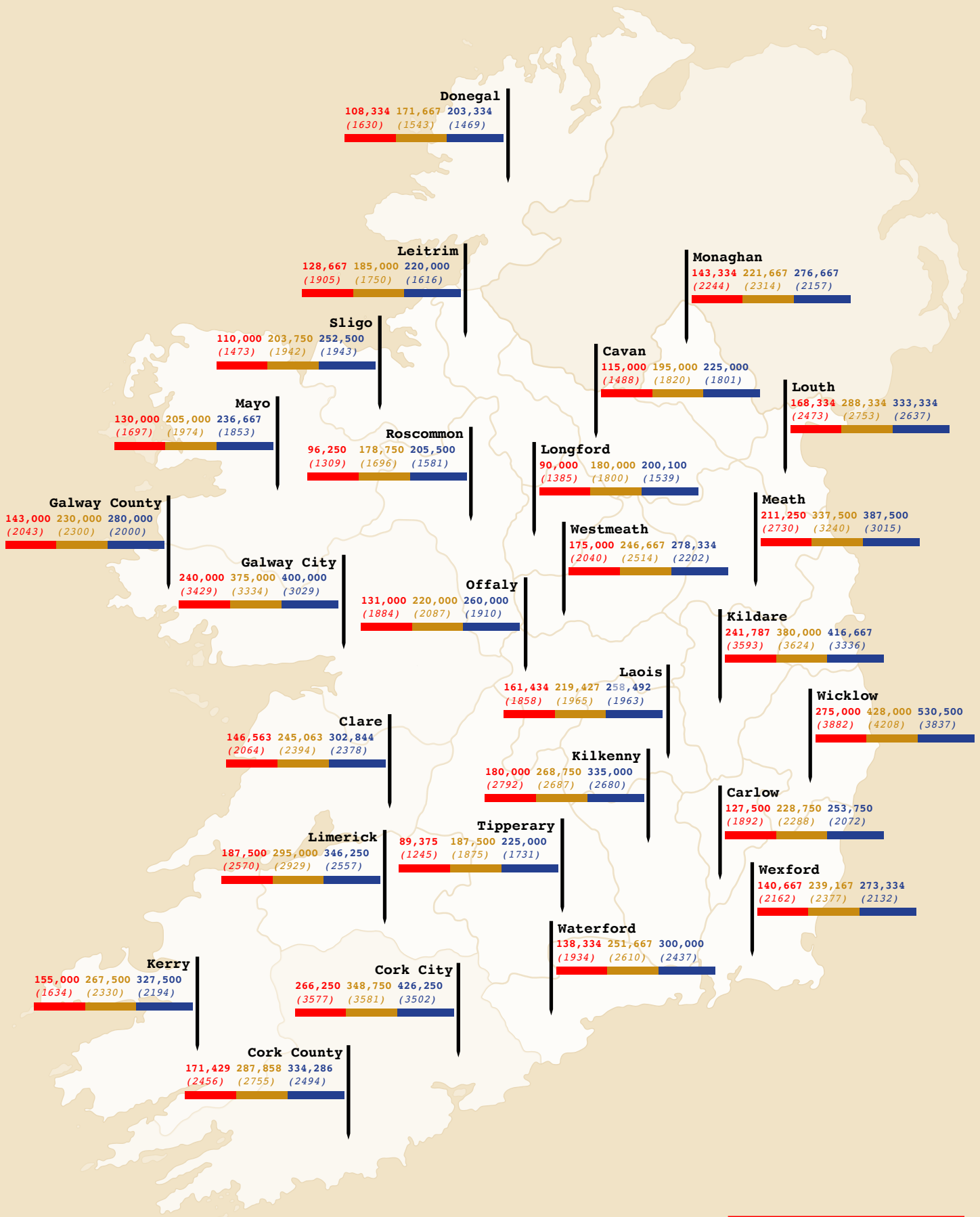
While price trends in the apartment markets show some similarity to those in the housing markets, there are differences.

On the minus side only eight out of the 41 apartment markets surveyed show declines, all of which are very modest. As many as five of those showing declines were in Dublin: Dublin 3, including Clontarf, down 2.5pc to €390,000; Dublin 14 down 2.38pc to €413,667; North County Dublin down 1.4pc to €351,667; Dublin 2 down 1.16 pc to €425,000 and Dublin 4 down 1.03pc to €482,500.

While Dublin 4 despite, its decline is still the most expensive for an apartment, when it comes to value for money, Dublin 2 is the most expensive at €7,083 per square metre versus €6,503 per square metre in its neighbour.

Countrywide Price Breakdown

Price comparison across all counties



Other apartment markets recording notable declines were Roscommon down 2.53pc to €96,250 making these the third cheapest apartments in the country and Offaly down 1.75pc to €131,000.

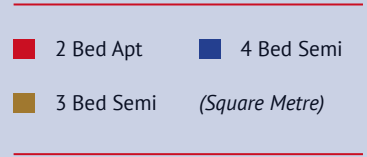
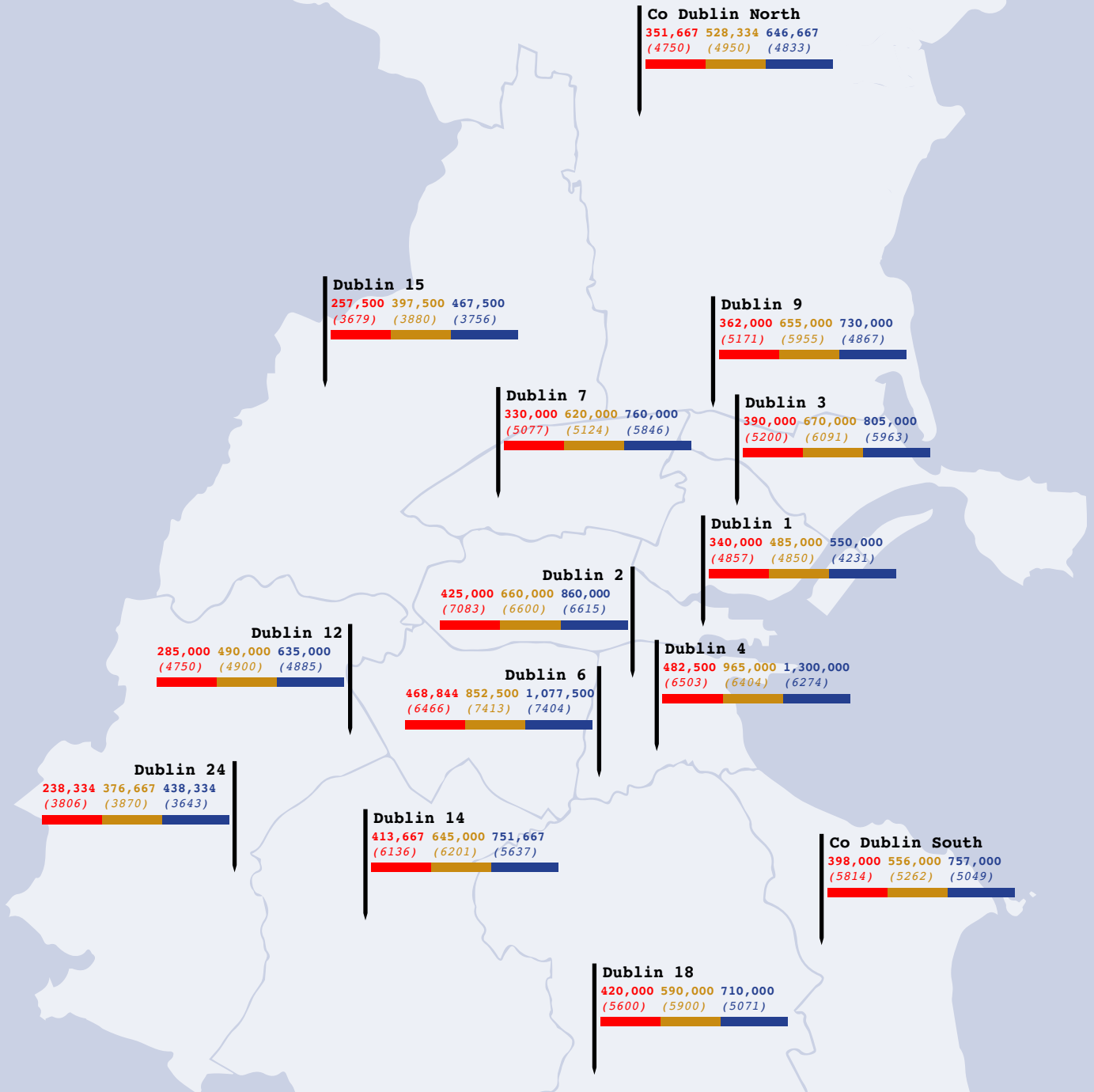
Longford also scored strongest when it came to growth in apartment prices - up 5.88pc to €90,000 and a 12.5pc increase over 12 months. As a result, it moved off the bottom of the apartment price league where it was replaced by Tipperary two beds, which despite a 0.70pc rise, were the cheapest in the country at €89,375.

Mayo scored the second highest price rise in the six months with a 5.4pc rise to €130,000 for two beds. It was followed by Laois with a 5.28pc rise to €161,434, Monaghan with a 4.88pc rise to €143,334 and Cork County with a 4.8pc rise to €171,429.

The growth in apartment prices in some of the traditionally weakest markets for such properties may be encouraging for those who advocate for greater density to avail of the serviced land in regional towns. But the above price increases are well below the national average of €230,085 per apartment and more importantly these prices are still well below the cost of constructing new ones. In other words, the apartment market has a long way to go to enable apartment build-to-sell developments become a feasible option for private developers.

Dublin Price Breakdown

Price comparison across Dublin





Paul McCartney, Editor

pTools™
Software

Powered by pTools
Content Management
Software

IPAV | 129 Lower Baggot Street Dublin 2
Tel: (01) 678 5685 | Eircode: D02 HC84 | Email: info@ipav.ie
Web: www.ipav.ie

The figures in the barometer are the average price achieved over a six month period, Jan to June 2023, completed by 108 selected members of IPAV throughout the 26 counties of Ireland. ©