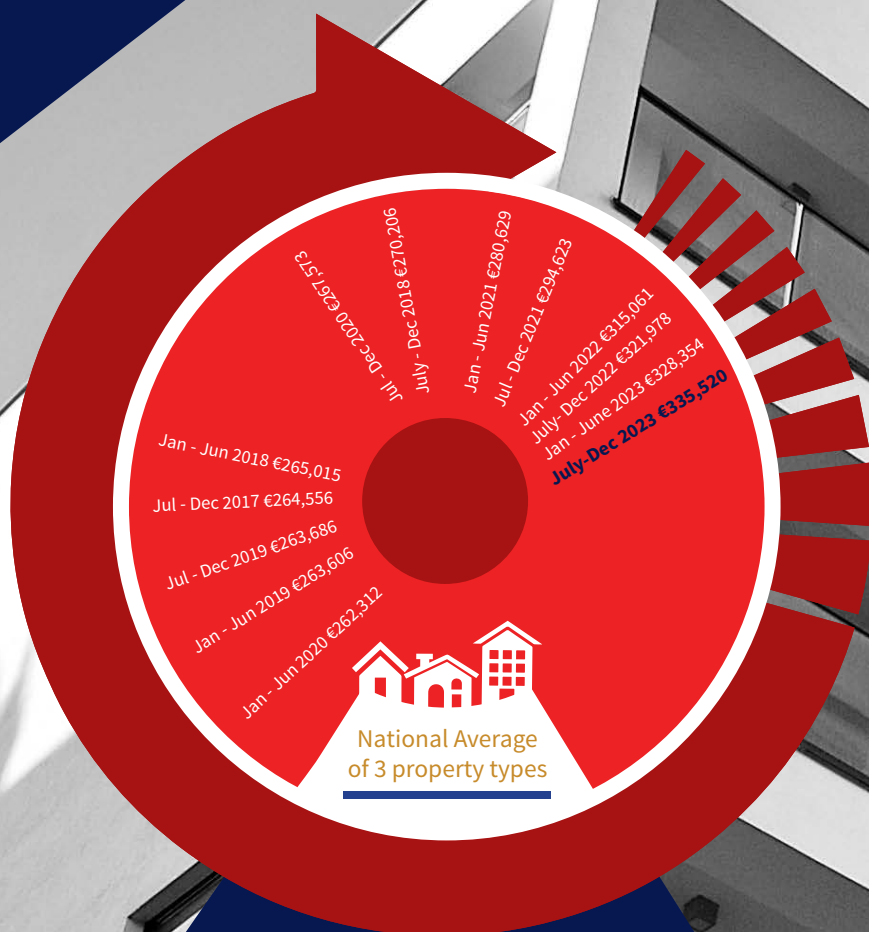


IPAV Residential Property Price Barometer

Results for July – December 2023



Most Recent Average Price
July – Dec 2023 €335,520

Housing Policy Needs Specialist Intervention

by Pat Davitt IPAV Chief Executive



Unrelenting demand for homes continues apace as our population expands in unprecedented numbers. The current Government housing plan, Housing for All, launched in September 2021, estimated housing need at 33,000 new homes each year up to 2030.

At 32,695 builds in 2023 we're finally getting very close to that target, but the figures need to be revised, something the Government acknowledged last June and is awaited. Census 2022 put the population at 5.2 million and it's grown by 100,000 in the last year alone.

Any wonder then that despite the substantial increases of recent years, prices remain resilient and could even rise by the order of 5% this year, barring a geo political crisis or unforeseen catastrophe. Auctioneers continue to report a scarcity of supply with strong demand, including from non-Irish nationals and returning emigrants. Mid-year there was evidence prices were attempting to correct from the highs of the previous year but from about September members began to report upward movement in prices once again. And indeed 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 two-bedroom apartments in the latter six months of 2023.

While the overall increase was 2.99%, up from 2.05% in the previous six months, what is striking is the prevalence of increases right across the country in the 5% to 7% range. Lower increases of the order of 1% were seen in many Dublin areas where prices are top of the range or where supply has increased beyond the norm, and this has served to bring the overall increase in the latter six months to 2.99%.

In fact there were only two negative figures in the whole Barometer, in Dublin 6 and Wicklow, in the four-bedroom category and these were only 0.23% and 0.09% respectively. It must be acknowledged that Ireland is not alone in facing home building challenges. But we should not use that as a reason to excuse away our inability as a country to cater for our people, particularly our younger generations.

Indeed there may be good reason to suggest we're out of kilter with our European neighbours. An ESRI study

published in July pointed to the shocking deterioration in home ownership rates among the under 40s with Ireland having one of the lowest rates in Europe. While almost 80% of people aged over 40 own their own home just a third of adults under age 40 do. The fact that Ryanair and some other employers are buying up properties to support their businesses speaks volumes. It should be a wake-up call to policymakers.

We're already seeing worrying signs for the year ahead that could seriously exacerbate supply in both sales and rental. A Sherry Fitzgerald study found just 11,050 second-hand properties listed for sale nationally in January, a mere 0.6% of the entire private housing stock; a 27% drop on the previous January and a startling 46% decline on January 2020. BNP Paribas has described 2022 as a dismal year for the Irish investment property market with turnover down almost 70%. Private landlords have been haemorrhaging from the market since IPAV first identified the issue almost six years ago. The impact of increased interest rates could be starker on institutional investors than on mortgage holders. So, who is going to fill the massive void in available properties both for sale and rent? The State, while ramping up the building of social homes will most certainly not bridge the yawning gap between supply and demand.

'Political correctness' and 'political capture' have haunted housing policy since the last financial crash with policy makers and advisers afraid to be seen to assist small builders/developers, and indeed private landlords with any form of equity with commercial landlords. In addition, market expertise has been missing at the heart of policy formation, we're dogged by our generalist public service system of support to Government, and it shows in the plethora of serious unintended consequences attaching to numerous interventions.

That needs to change. We need a combination of coordinated measures to fix the market, from planning to revisiting Rent Pressure Zone rules where they are incapacitating the market; to supporting SME builders with low cost finance; giving meaningful incentives to new and existing landlords; to bringing far more vacant and derelict properties back into use; to providing longer term mortgages, where appropriate, and improving the mortgage lending limits.

In parallel we need to see the Seller's Legal Pack for Property Buyers' Bill 2021 pass all stages in the Dáil to curb the inordinate delays in the transfer of property title resulting in sales falling through and mortgage approvals lapsing.

Prices surge in a number of counties while those in Dublin slowdown

By Donal Buckley



Modest growth in house prices was seen in the second half of 2023 across most of the Irish markets as reflected in the latest House Price Barometer from the Institute of Professional Auctioneers & Valuers.

On average, overall prices rose by 2.99pc during the second six months of 2023 following on from the 2.05pc increase in the first six months of the year and this increased momentum was due to surges seen in market segments in a number of counties.

Some of the strongest surges were seen in some of the counties with the lowest prices. This may reflect value for money, bargain hunting, the ripple of economic growth into the regions as well as more people working from home.

While some counties outperformed with a particular house type, Donegal showed some of the strongest price increases, percentage-wise, across all three types of dwellings: two-bedroom apartments, three bedroom semi-detached and four-bedroom semi-detached houses.

In contrast some of the most expensive parts of Dublin showed some of the lowest rate of increase suggesting that their markets have peaked.

Only two segments of the market showed declines and those price falls were so small that they were practically unchanged.

Three Bedroom Semi-Detached

In the three-bedroom semi-detached sector Mayo scored the strongest price increase - up 7.32pc to an average of €220,000. That increase is more than double the national average of 2.76pc.

Consequently, Mayo three beds have risen by a total of 59pc since the barometer started in 2017. Nevertheless, they are still the seventh cheapest three beds in the 41 markets surveyed across the country.

Donegal saw the second strongest increase in this type of house rising 5.58pc to €181,250 but, despite such an increase, the county has slipped down the rankings over the six years from ninth cheapest to become the cheapest three bed.

Longford scored third strongest price growth - up 5.56pc to an average of €190,000. While that is the third cheapest in the country this Shannonside county has improved on the rankings as it was the cheapest six years ago.

Sligo three beds rose 5.52pc to €215,000 thanks to the fourth strongest price growth in the last six months of 2023. Cork City three beds scored the fifth strongest increase rising 5.38pc to €367,500.

In contrast the weakest price growth of 0.26pc was seen in Dublin 4 covering Ballsbridge, Sandymount and Donnybrook where three bed semi-detached prices are the highest in the country at an average of €967,500. That's a drop of €7,500 (0.77pc) since the index began. Which goes to show that an investor who bought in Mayo in 2017 would have made a whopping profit while a counterpart who bought in what would be considered Ireland's blue chip housing market would have suffered a loss over the same period.

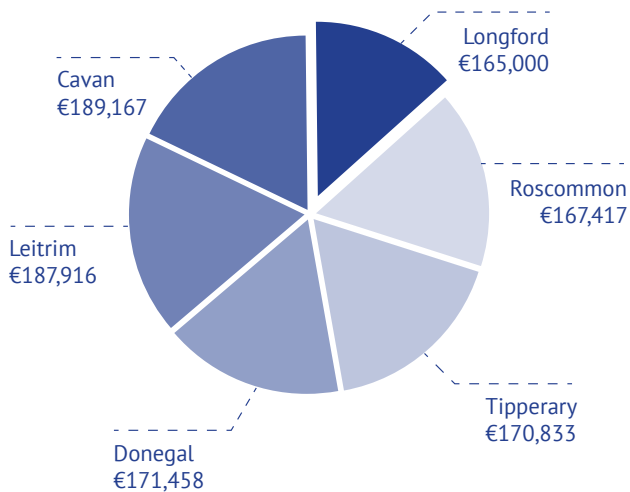
And that recent market weakness was not confined to Dublin 4 as its neighbouring area of Dublin 6, including Ranelagh and Rathgar, saw the fourth weakest price growth of 0.59pc to an average of €875,000 and it boasts the second most expensive three beds in the country.

Nevertheless, on closer inspection Dublin 4 appears to offer better value for money than its two closest neighbours as on a price per square metre basis it costs €6,655. That compares to €6,750 per square metre in Dublin 2 and the highest in the country €7,457 per square metre in Dublin 6. Those figures suggest that D4 buyers get more bang for their buck and that the average three bed semis in Dublin 4 may be bigger than those in its two neighbours.

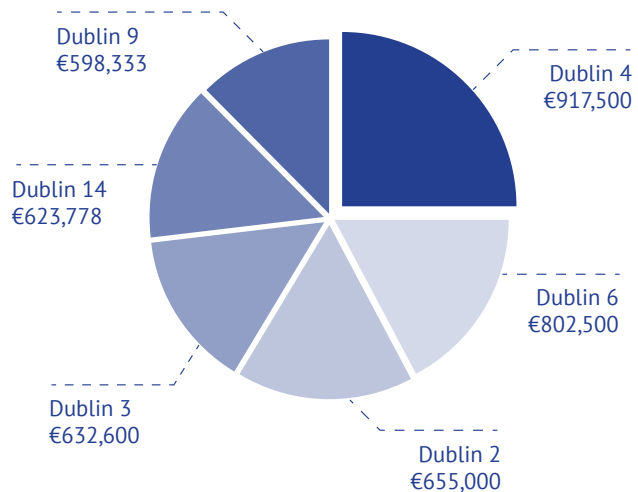
Top Six Least and Most Expensive Locations

Results for Q3 and Q4 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.

Another Dublin market, Dublin south county also saw prices close to plateauing with only a 0.54pc rise to €559,000.

Dublin 3, which includes sought after Clontarf, recorded the third most expensive three-beds in the country at an average of €680,000 - up 1.49pc. Fourth from the top is Dublin 2, which includes the terraced Georgian streets, and three bed semis average €675,000 - up 2.27pc. It was followed by Dublin 9, which includes Glasnevin and Drumcondra, where they average €670,000 up 2.29pc.

Cork County three beds saw the second slowest level of increase up 0.35pc to €288,858.

Four bedroom semi-detached

The strongest increase in prices for four-bedroom semi-detached houses was seen in Cavan – as they jumped 7.78pc to €242,500. These were followed by the 7.68pc jump in Laois to an average of €278,334. Leitrim came next with a 7.58pc increase to €236,667 which is still the fifth cheapest four bed in the country.

Donegal four beds rose by 6.66pc to €216,875 which is the third cheapest in the country. Longford four beds are the cheapest at €210,000

despite a 4.95pc increase. Roscommon is second cheapest at €216,250 after a 5.23pc rise. Tipperary four beds are fourth cheapest at €227,500 and increased by only 1.11pc.

Most, but not all, Dublin four bed markets saw price growth level off and indeed Dublin 6, which includes Rathmines and Dartry, saw prices for these homes fall 0.23pc to an average of €1,075,000 while still retaining its position as the second highest price in the country.

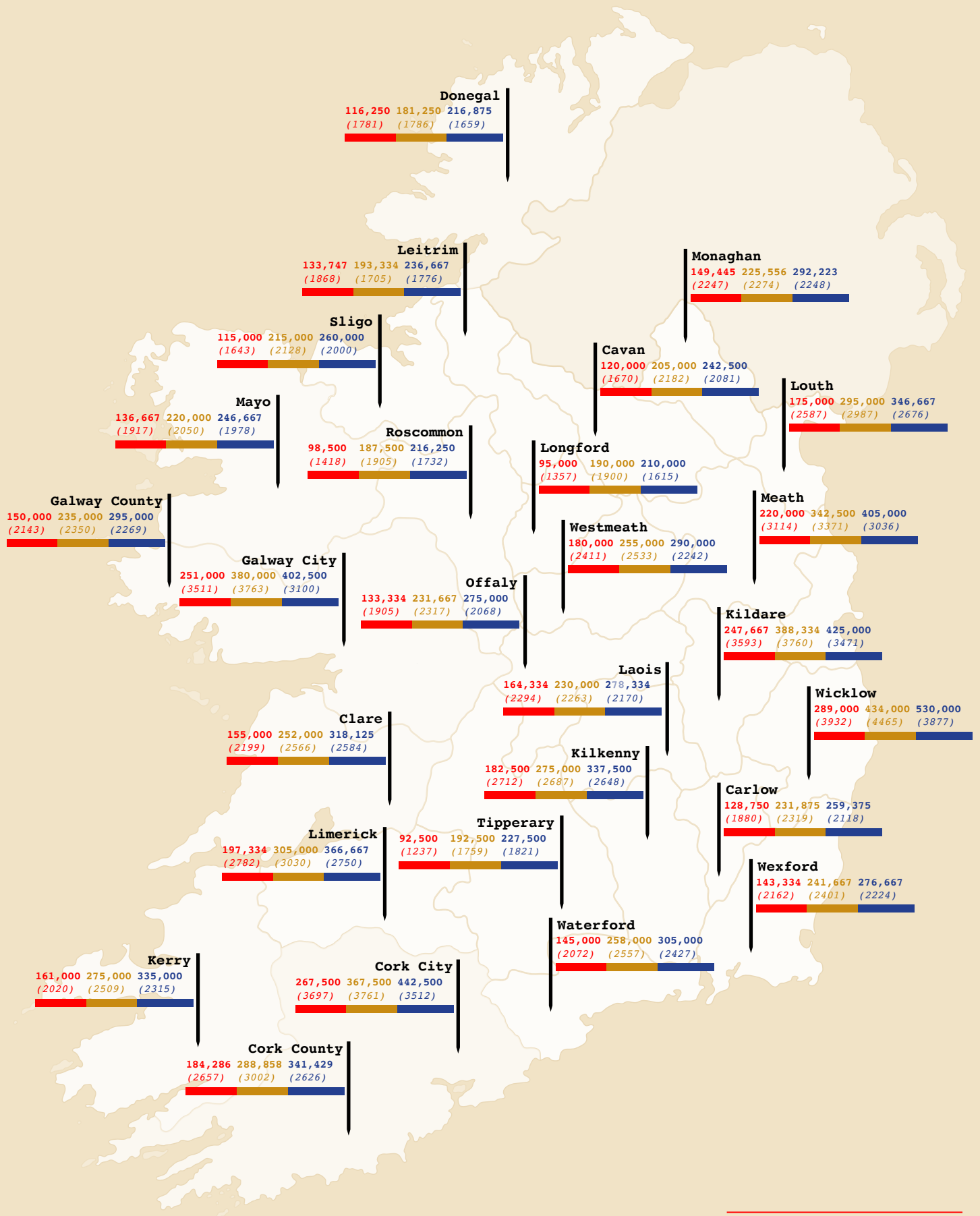
A further three areas of Dublin saw prices unchanged: Dublin 4 which is still the most expensive with an average of €1.3 million; Dublin 2, third most expensive with an average of €860,000 and Dublin 15, including Blanchardstown, averaging €467,500.

Wicklow's four-bedroom semi-detached was the only other market segment surveyed to show an actual price drop - albeit a tiny 0.09pc to an average of €530,000.

Dublin 3, including Fairview, was the fourth most expensive for four-bedroom semis at an average of €820,000 followed by Dublin 14, which stretches from Clonskeagh to Churchtown, and averages €784,000 – up 4.3pc.

Countrywide Price Breakdown

Price comparison across all counties



2 Bed Apt 3 Bed Semi 4 Bed Semi (Square Metre)

Countrywide Price Breakdown

Price comparison across all counties

Two-bedroom apartments

It is good to see healthy price growth in the regions for two-bedroom apartments. Not alone does this reflect improved demand for living in provincial towns and that lifestyle facilitates more people walking to work, consumer and leisure activities. However, second hand apartment prices are still well below replacement cost in most areas outside of Dublin hence it will take further price increases in order to encourage developers to build more apartments in towns to meet both home ownership and rental demand and curtail urban sprawl.

Cork County exhibited the strongest surge of 7.5pc in two bed prices to an average of €184,286. In contrast Cork City showed the weakest level of increase in this sector as it increased by only 0.47pc to €267,500. Taken together these two trends may indicate that Cork City apartment prices have peaked as buyers prefer to switch to towns in the county areas where they can achieve better value for money.

Donegal saw the second strongest upsurge in the two-bedroom sector as these units rose 7.31pc to €116,250 which is nevertheless the fifth cheapest price in the country.

Longford also saw a healthy 5.56pc increase to €95,000 which is the second cheapest.

Limerick saw the fourth largest increase in two-bedroom apartments – up 5.24pc to an average of €197,334. Limerick also saw healthy growth in the four-bed semi-detached segment, with the fifth highest growth rate as these rose 5.9pc to €366,667.

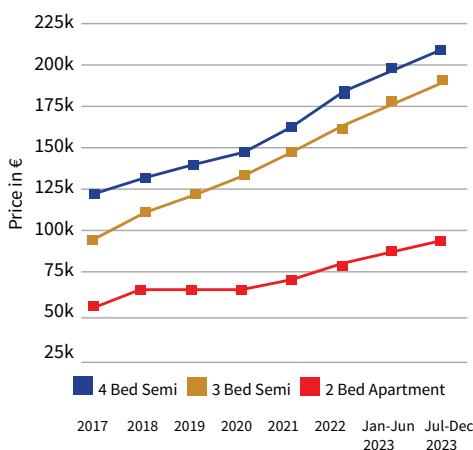
Mayo saw the fifth strongest rise in the two-bed market with a 5.13pc rise to €136,667. Buoyed by increased demand and supply in towns such as Bray and Greystones, apartment prices in Wicklow rose by 5.09pc – to an average of €289,000.

In contrast a number of apartment markets saw increases of less than one per cent: Dublin 4 at an average of €485,000 and nevertheless still the most expensive in the country; South County Dublin at €401,000; Carlow at €128,750 and Dublin 18 including Cabinteely and Foxrock, €430,000.

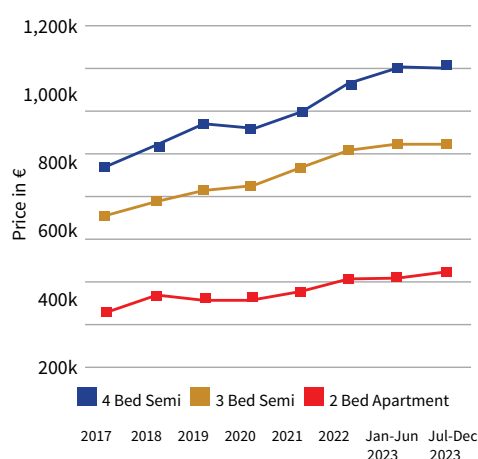
While Dublin 6 saw a slightly stronger price rise of 1.31pc to €475,000, it was not enough to move it up from second place. Dublin 2 and Dublin 18 shared the accolade of being the third most expensive for apartments at €430,000 on average.

But when it comes to space per euro Dublin 2 apartments are the most expensive in the country at €7,167 per square metre compared to €6,929 per square metre in Dublin 4. This may be because many of the Ballsbridge and Donnybrook apartments were built for those trading down from large houses while those in the city centre included more two-bedroom apartments which catered for single people and transient employees. Prices in both markets are more than double the national average of €3,390 per square metre for these apartments.

The cheapest apartments are being sold in Tipperary at €92,500, followed by Longford at €95,000 where apartment prices have surged by 11.4pc over the 12 months of 2023. Roscommon prices are third cheapest at €98,500 and Sligo prices are fourth cheapest at €115,000.



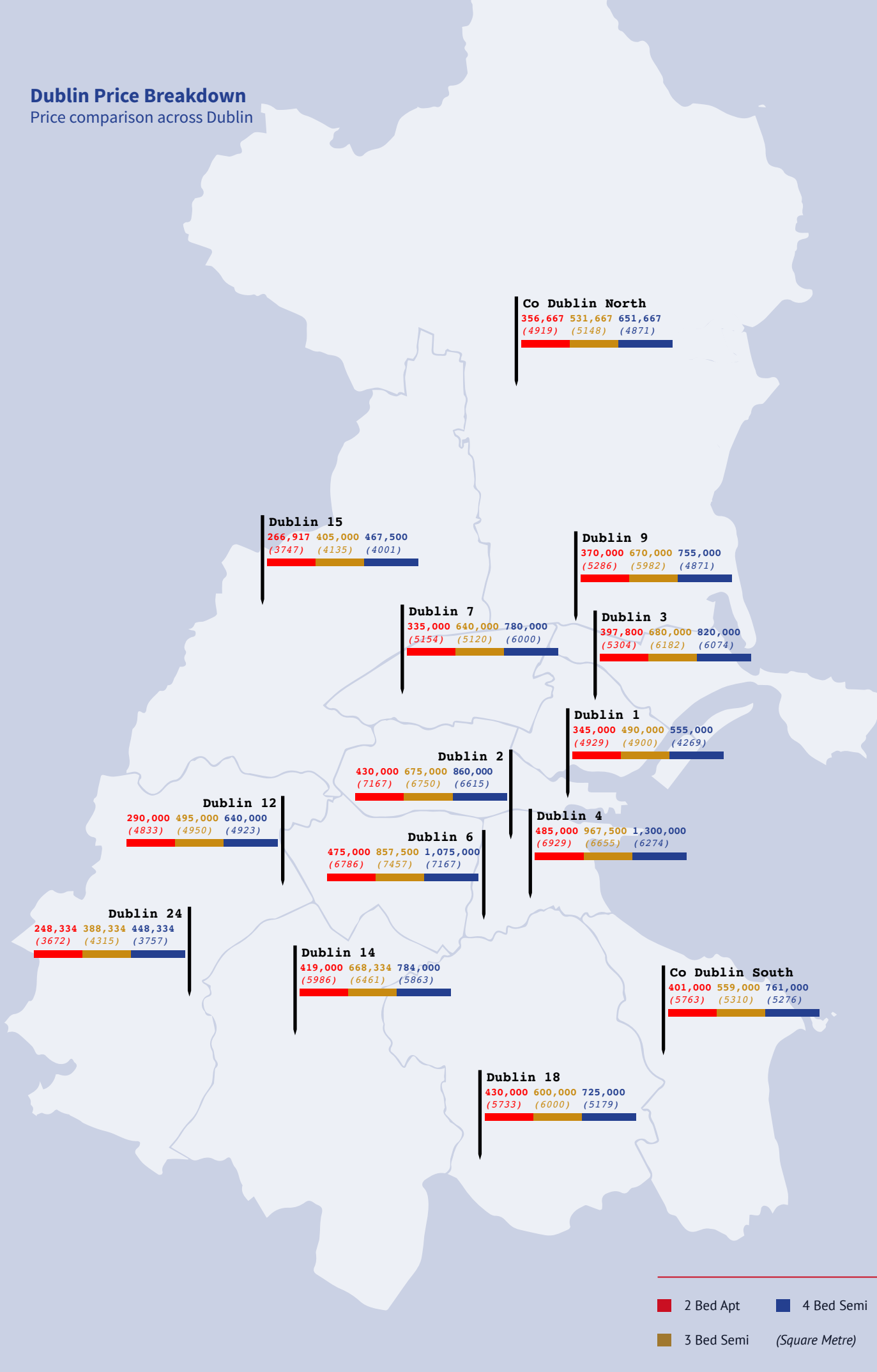
Price fluctuation by year in Longford



Price fluctuation by year in Dublin 6

Dublin Price Breakdown

Price comparison across Dublin





Paul McCartney, Editor



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