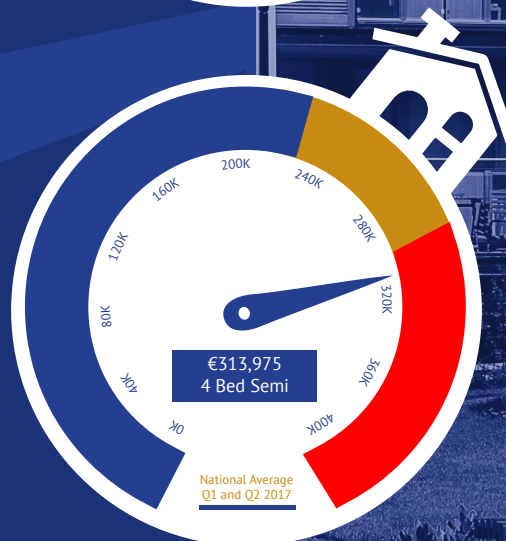
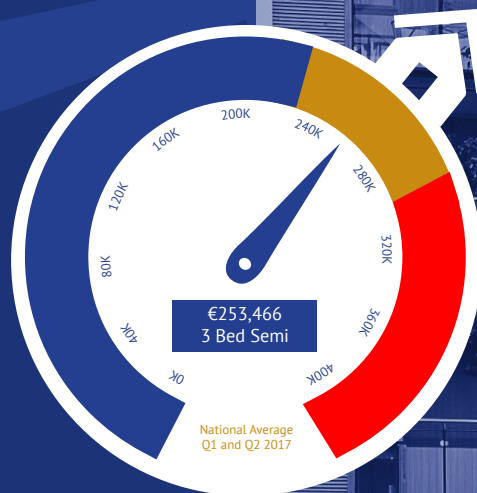
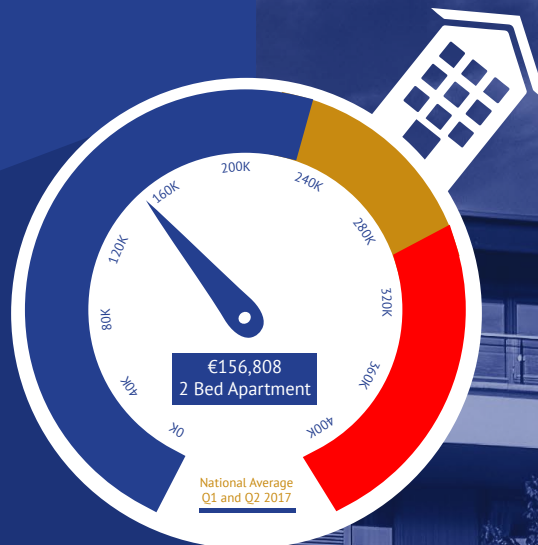


The voice of auctioneers and valuers in Ireland



The Importance of Agents Data

by Pat Davitt IPAV Chief Executive



I welcome you to this the very first countrywide 'Residential Property Price Barometer' from the Institute of Professional Auctioneers and Valuers (IPAV). It's the first in a series which will be published every six months.

The study, which has been in gestation for some time, uniquely covers actual sales over the first six months of 2017 by our network of agents throughout Ireland. It gives a very real picture of the current property market. What emerges is a range of different local markets, for a diversity of reasons. While it would be very difficult to capture all of factors at play what it does illustrate is the vast price differentials in the market overall.

From the exceptional high property prices reached in 2007 to the dramatic lows of 2012, just five years later, a great deal of wealth was lost by individuals and families, not to mention the loss of jobs and health effects emanating from the crash. It is against that backdrop that we have undertaken this barometer.

IPAV wants to contribute to ensuring that such dramatic volatility never happens again. It is in all our interests that we develop a sustainable property market in which people are free to buy, sell or rent according to their needs and personal choices.

In the early eighties we experienced a severe revaluation of property prices. However, the difference then was there wasn't the unbridled availability of mortgage finance. Lenders employed strict criteria that they later dispensed with. Hence consumers were not as exposed, the damage caused was limited.

In the late seventies, interest rates reached extraordinary levels of around 20%. Indeed, I remember overnight interest rates reaching 100% in the early eighties.

Looking carefully at the figures in this report I predict we are likely see a return to the high prices of 2007 in parts of Dublin in the not too distant future. With so little stock availability and unprecedented and soaring demand, prices have nowhere to go but up. The reverse happened in the declining market up to 2012 when properties sold for prices way below the cost of constructing them. Indeed this phenomenon is still evident in certain parts of the country.

We have a national property stock of 2.2 million houses and yearly sales transactions currently of some 40,000. In a viable property market that figure should be of the order of 100,000. Such low sales volumes, on their own, lead to a wide variation in prices.

It's clear we're building far too few new houses where they are needed, which can and will lead to further price inflation. No matter what government interference takes place the result will be the same unless and until we tackle the root cause of the problem, a lack of house building.

When one looks through this price barometer at a range of counties outside of Dublin, it's easy to see the extent of the gap between the price of a second-hand house and the cost of building the same property new. When we compare values in Dublin North or South to those outside of Dublin it shows how far prices have fallen and how little many areas of the country outside Dublin have recovered since 2012. Longford is one that stands out, a 3 bed semi-detached house in 2007 typically sold for €250,000. In 2012 it had dropped to €40,000 while today the average county price is €87,000. On a whole different scale in Dundrum in Dublin South a 3 bed semi in 2007 was typically €740,000. In 2012 it had dropped to €350,000 and today it sells for around €640,000.

IPAV has been concerned for some time that public policy on housing is not always informed by the facts. This report, we hope, will help inform public policy.

I would like to congratulate the editor of this barometer Paul McCartney who has contributed enormously to putting it together. The analysis comes from one of Ireland's leading property writers, Donal Buckley.



Dublin 4 house prices are the highest in the country but when it comes to apartments Dublin 2 tops the charts. However for those looking for value for money Longford offers the best bargains for both semi-detached houses and apartments.

These are among the findings in the first ever survey of prices for each of the three most popular sectors of the housing market which has been undertaken by the Institute of Professional Auctioneers and Valuers (IPAV) among its members.

This survey is based on average prices actually achieved for two bedroom apartments, three bedroom semis and four bedroom semis over the six months from January to June of this year. Consequently this makes the survey different from other surveys which are based on either asking prices or on a much broader range of average house types.

Value for money

For house hunters in search of value for money, Longford comes out best. Longford is cheapest for two bedroom apartments at an average of only €52,000. In contrast Dublin 2 ranks tops for most expensive two bed units at an average of €383,334 which is more than 7.3 times as expensive as those in Longford.

Furthermore Longford buyers are getting even better bang for their buck when the units are compared on the basis of sizes. In Dublin 2 the price per square metre is €5,563 which is practically eight times the €693 price per sq metre for Longford two bedroom apartments.

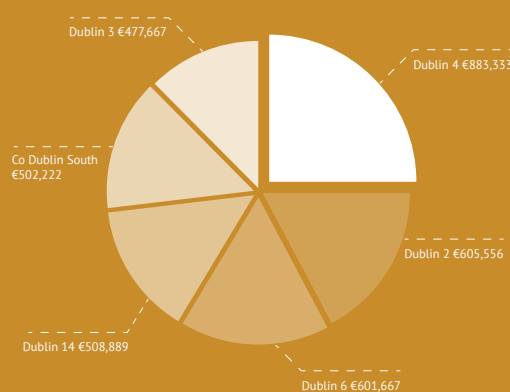
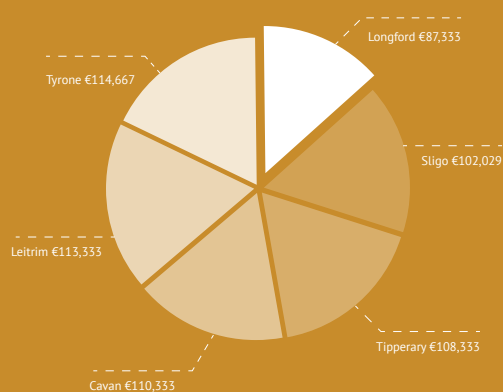
The most expensive semis

When it comes to four bedroom semis Dublin 4 also tops the market at an average price of €1.3 million while Dublin 2 comes second at an average of €900,000 and perhaps surprisingly ahead of Dublin 6 at an average of €806,667 with Dublin 14 at €640,834 ahead of Dublin South at €620,000.

Those prices are multiples not alone of prices for four beds in Longford but in many other counties. In all as many as six of the 26 counties are recording prices of less than €160,000 for four bedroom semis. In Longford four bedroom semis fetch €120,000; Sligo €131,750; Leitrim €135,000, Cavan €140,000, Tipperary €155,000 and Donegal €158,334.

Top 6 Least and Most Expensive Locations

Results for Q1 and Q2 2017



Top 6 Least Expensive Locations

Top 6 Most Expensive Locations

These figures are an average across the three types of properties.

Brain drain

But even in economically vibrant counties four bedroom houses are selling for a fraction of the top prices in Dublin which explains why there are increasing signs of talented and professional people seeking to avail of job opportunities in the provinces.

Take Kilkenny where an average four bedroom semi fetched €226,497 during the first half of this year. The equivalent in Dublin 4 is selling for more than 5.7 times the Kilkenny price.

Take Kerry with its vibrant tourism and hospitality sector which employs chefs of which there is an increasing shortage in Dublin. There a two bedroom apartment can be bought for €126,667 or less than half the €250,000 for a two bed in Dublin 7, an area which includes Smithfield and Stoneybatter.

Bang for their buck

Indeed when sizes are compared the purchaser of the Kerry flat got more bang for their buck at €1,756 per sq m. In Dublin 7 the price per sq m is €3,571 or more than 2.03 times what was charged in Kerry. And that Dublin 7 example is not in the top five of Dublin prices.

Prices boost apartment development

Indeed in the more sought after areas of Dublin, apartment prices are much higher which explains why, despite developer complaints about the cost of building apartments, a number of up market flats are being built and sold, some of them at over a €1million each.

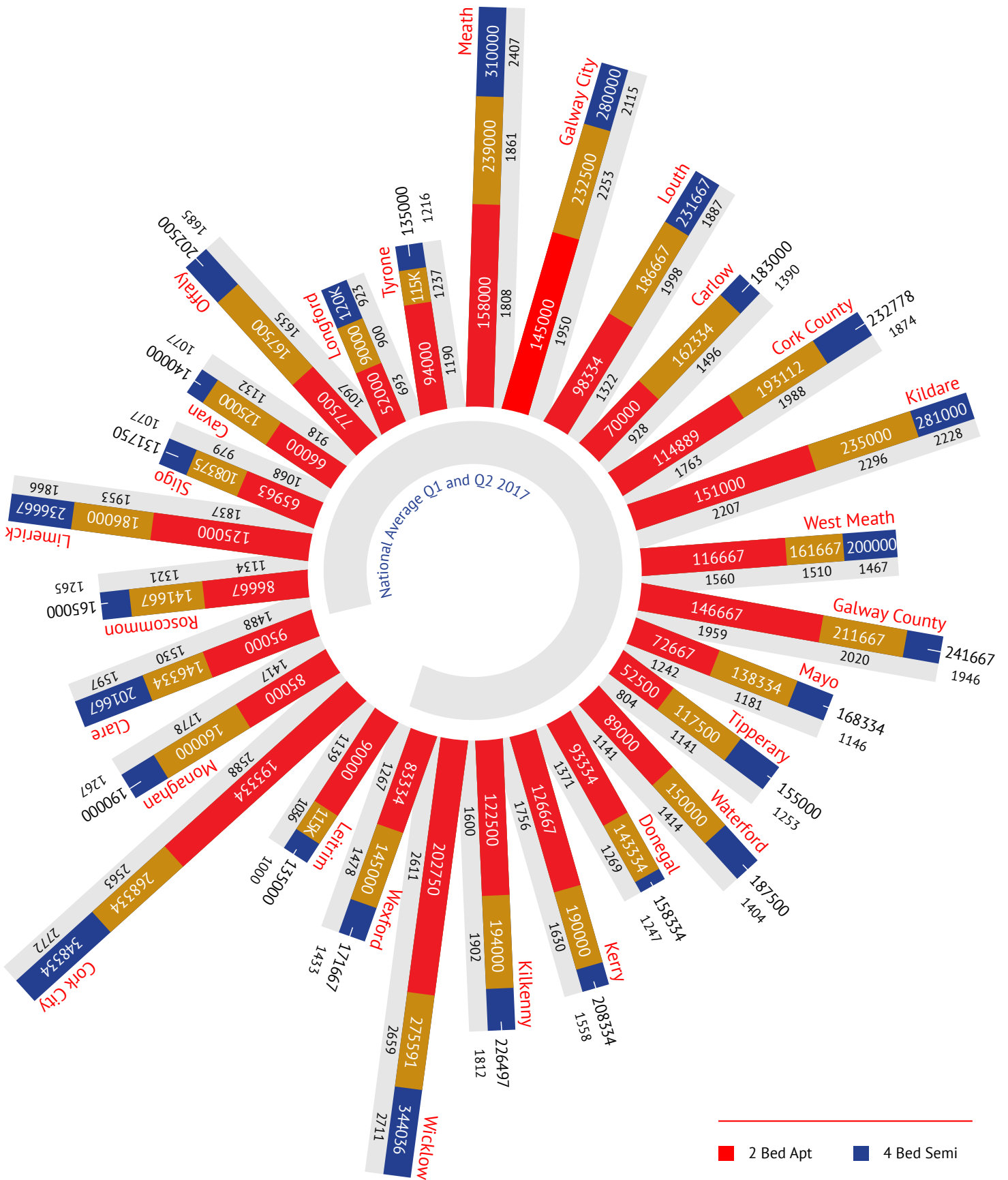
There are six areas of Dublin where average prices for two bed apartments exceed €300,000. Not surprisingly these include the central business districts of Dublin 2, €383,334; Dublin 4, €375,000 and Dublin 6, €328,334. However they also include sought after suburban areas such as South Dublin including Dun Laoghaire and Blackrock which is second highest at €375,000; Dublin 14 which includes Dundrum at €333,334 and Dublin 3, which includes Clontarf, at €310,000.

When the survey's other figures are examined more closely what appears surprising is that on a price per square metre basis, two areas which would be considered locations for up market apartments actually recorded more modest prices.

In Dublin 4 the price per sq m is €4,464, which is the cheapest of the six areas, followed by Dublin 3 at €4,697 per sq m and Dublin 6 at €4,715 per sq m. In contrast on a price per sq m basis Dublin 2 heads the list at €5,536, followed by Dublin South at €5,348 per sq m and Dublin 14 at €4,781

Countrywide Price Breakdown

Price comparison across all counties



■ 2 Bed Apt ■ 4 Bed Semi
■ 3 Bed Semi ■ Square Meter

Priced below replacement cost

The survey also shows that houses are still selling for well below the prices for new houses in several counties where asking prices for new homes are being pitched at around €240,000. This means that supply of new homes is unlikely to increase significantly in those counties until such time as existing supply of cheaper second hand homes have been sold and prices climb to levels which will make it viable for developers to build houses.

Three bedroom semis

The only markets to record prices above €330,000 for three bedroom semis are in some but not all areas of Dublin where prices range between €306,667 in Dublin 1 to the top average price of €975,000 in Dublin 4. In Dublin 6 they are priced at €670,000.

The combination of the Luas Green Line, Dundrum Town centre and UCD have propelled Dublin 14 to the third most expensive market for three bedroom semis at €552,500 putting it ahead of Dublin 2 at €533,334. The Clontarf seafront and proximity to the IFSC appears to have boosted Dublin 3 to €525,000.

In Cork City these popular house types average €268,334 but in Cork County they achieve only €193,112.

Commuter counties

With lower site and other costs in commuter counties building activity has also picked up in response to demand and this demand is in prices in Wicklow where three bed semis fetch €275,591, Kildare where they average €235,000 and Meath €239,000.

In Galway City the three beds average €232,500 but in Galway County they average €211,667. If these markets see price growth continuing then house building activity in the coming months could continue to grow significantly in response to demand. That is unless development land and other costs increase at an even faster pace.

Drilling down into the prices for floor areas, suggests that buyers of an average three bedroom semi in Meath are likely to get a larger floor area and perhaps a larger site, than they would in the neighbouring commuter county of Kildare. Even though the average price of these semis in Meath is higher than in Kildare, in the latter case the price per sq m is €2,296 which is as much as 23% above the average price of €1,861 per sq m in Meath.

Cheapest three bed semis

The five counties with the cheapest three bedroom semis are: Longford €90,000; Sligo €108,375; Leitrim €115,000, Tipperary €117,500 and Cavan €125,000.

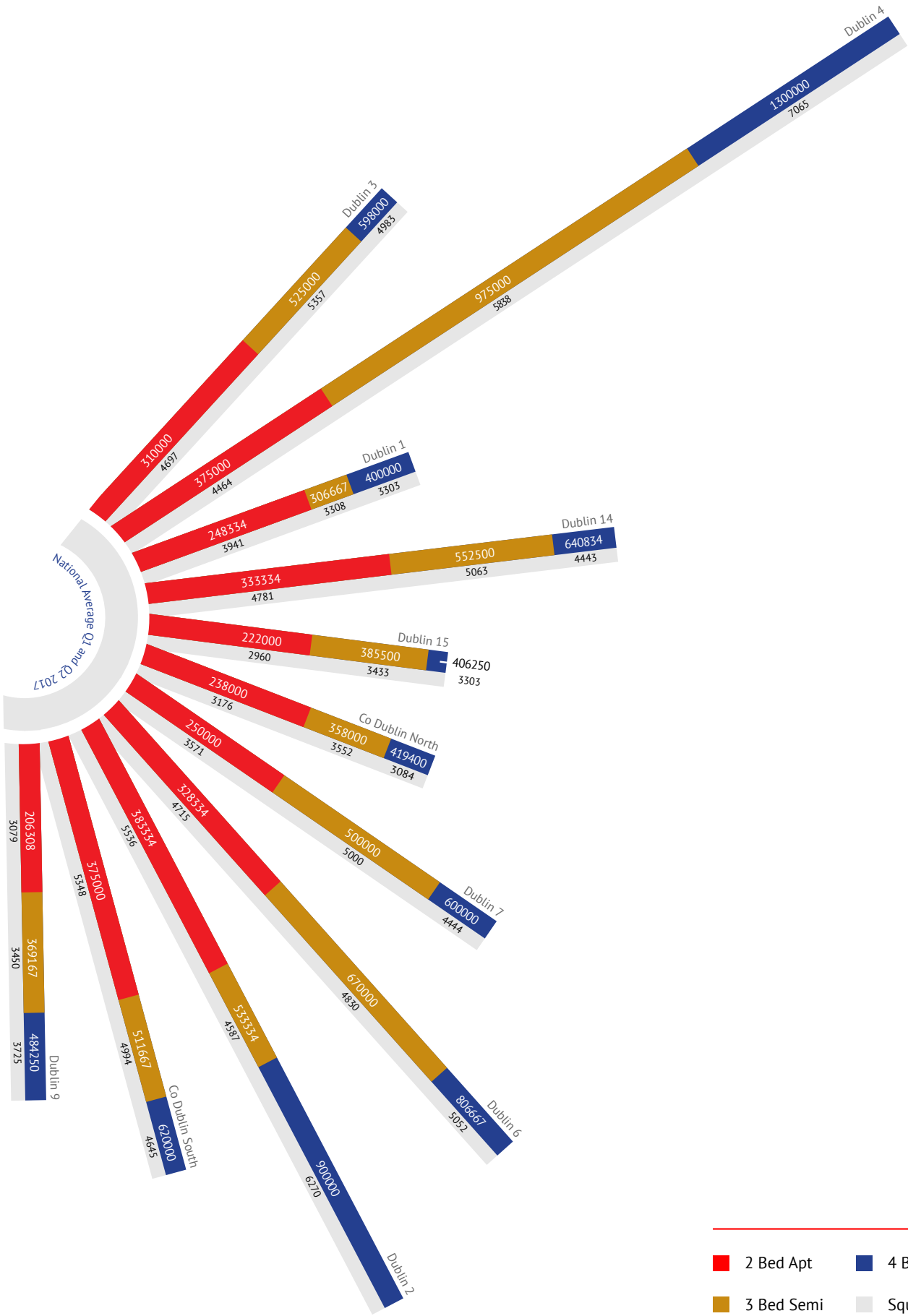
Tops for four bedroom semis

As well as recording the most expensive prices for four-bedroom semis at an average of €1.3 million, prime Dublin 4 also recorded the most expensive floor areas at €7,065 per sq m followed by Dublin 2 at €900,000 or €6,270 per sq m and Dublin 6 at €806,667 or €5,052 per sq m.

In the Dublin commuter belt Meath comes tops at €310,000 or €2,407 per sq m while the average four bedroom semi in Kildare is priced at €281,000 or at €2,228 per sq m.

Dublin Price Breakdown

Price comparison across Dublin



- 2 Bed Apt
- 4 Bed Semi
- 3 Bed Semi
- Square Meter



Paul McCartney, Editor



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