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## **House Prices - Vacant Homes Initiative Critical If Interest Rate Rises Threaten Flow Of New Properties - IPAV**

Commenting on today's CSO Residential Property Price Index for May, IPAV, the Institute of Professional Auctioneers & Valuers, said the slight drop in Dublin contrasting with an increase of 4.5pc outside Dublin is pretty much anticipated, given recent trends, including more remote working opportunities.

*Pat Davitt, IPAV's Chief Executive, said:* "The year-on-year increases are now at about the 5pc range at their highest and this is in areas like the Midlands, the West and the Mid-East.

"Many of these areas, at headline level in today's figures, are 2.2pc higher than the May 2007 peak. It's likely that the more urban settings within these areas account for that.

"The reality is that within these areas houses can still be bought for less than the price of construction," he said.

He noted that the improvement in the number of purchases and the increase in the number of first-time buyers. "It is to be hoped that this positive development is not stymied by increasing interest rates.

"The new dwelling prices rising by over 11pc is hardly surprising, given what we know about construction costs. However, there is a real opportunity for Government to be imaginative in relation to vacant properties – both from a value and climate perspective."

He said revitalising 25,000 derelict and vacant houses every year, some of which do not need major work, is "imminently achievable."

However, aspiring buyers are often unable to acquire banking loans for such properties, despite much improved Government grants for them.

He said a Government backed fund could be administered through the Credit Union movement to provide bridging finance to purchasers of such properties.

"Such a fund would make restoring such properties eminently viable and realistic," he said.