Institute of Professional Auctioneers & Valuers

IPAV Residential Property Price Barometer

Results for July - December 2024

The Voice of Auctioneers & Valuers in Ireland

Raising The Housing Ship From Shallow Waters

by Pat Davitt IPAV Chief Executive

Prices for homes continued on an upward trajectory throughout 2024, bringing prices actually achieved by agents to 9.58% for the full year, 5.03% for the first six months and an additional 4.55% for the latter.

While the first half was marked by some very high rises for apartments in particular, of the order of 12% to 14% plus, and in more rural settings including Kilkenny, Donegal, Offaly and Westmeath, the latter six months saw more high eight and nine percentage point increases at the top end across all three categories captured in the barometer – three and four-bedroom homes and 2-bedroom apartments. You can read a full analysis of the figures elsewhere in this publication.

Indications from members for the beginning of this year suggest property prices are still moving higher and if more stock does not come to market soon there is a real possibility that 2025 could repeat 2024's experience.

Prices have been on the up since autumn 2023. Continuing increases of these levels are not sustainable, and they do not augur well for locked-out generations on average, indeed above average, incomes. We're seeing very worrying pressures from a wider societal perspective, such as the difficulties for teachers in affording homes to buy or rent, in the Dublin region in particular.

We've had our challenges on housing output for some considerable time at this stage. CSO data shows new dwelling completions for 2024 at 30,330, a decrease of 6.7% on 2023. CBRE in its recent Ireland Real Estate Market Outlook 2025 report says: "rent regulations currently in place in the Irish market have contributed to a significant slowdown in residential investment over the last two years."

The ship that is housing has entered shallow waters and it desperately needs to be taken out of danger. Policy makers and those who most directly influence decisions missed the strong signals based on real market data. The government chose to listen to those who shouted loudest and those in positions of comfort who lack knowledge of real market dynamics and often bear suspicion of those desiring to make a profit, however modest. Worryingly, neither do those in such powerful positions seem to have been studying international research on, for example, the impact of rent caps.

But, while time is of the essence, given the prolonged nature of the housing crisis, all may not be lost. Our new Government has promised radical change so as to achieve a target of delivering 300,000 new homes by the end of 2030.

It's very difficult to see how this can happen unless the Government incentivises small builders back into the market to build homes as they did in the 1990 to 2007 period. While locally numbers were small they were spread nationally satisfying local markets.

Taoiseach Micheál Martin's speech on the announcement of the new Government on 23rdJanuary did offer a ray of hope, one that attracted little public attention. "I will shortly announce details of a new coordination and implementation group which will operate from my department," he said when addressing housing policy.

This would elevate housing policy and take it from the clutches and power accretive nature of a single Government department and mean the white heat of the Taoiseach's department would be upon it where it would be far more accountable, with substantially less opportunity for obfuscation.

More recent comments from the Taoiseach saying he's "prepared to look fundamentally at everything again", including abolishing rent pressure zones (RPZs), does present some optimism that we might be entering a more positive period in housing.

In this prolonged housing crisis it seems incredible that a landlord, in order to achieve a sustainable rent, must take a property out of the market for a two-year period. Let us hope the government gets to achieve its ambition before the economic climate turns.

Apartments Continued To Be The Strongest Sector Of The Housing Market

By Donal Buckley

Apartments continued to be the strongest sector of the housing market in the second half of 2024 with two-bedroom units showing average price growth across the country of 4.96% compared to 4.61 % for three-bedroom semis and 4.09% for four-bedroom semi-detached, according to the Property Price Barometer from the Institute of Professional Auctioneers & Valuers for the period July to the end of December 2024.

Those increases compare with growth of 5.9%, 4.44% and 4.75% respectively in the traditionally stronger first half of the year.

Buoyed up by the affordability factor some of the markets which show strongest price growth are close to key regional cities.

Two-bedroom Apartments

Practically double-digit price growth was seen for two-bedroom apartments in the second half of 2024 in two counties Clare and Cavan. Clare saw a 9.97% increase to €182,000 bringing its 12 month increase to 16.7%

Cavan saw a 9.54% rise to €137,500 bringing its 12 month increase to 14.1% Nevertheless Cavan prices are still the fifth cheapest in the country. Yet again some of the cheapest markets are showing the strongest price growth. For instance, Longford scored an 8.49% rise or the fourth biggest price rise to €115,000 but it is the third cheapest in the country. Leitrim's average price rose 8.92% to €154,667. Kerry saw the fifth biggest apartment price rise of 7.99% to €182,500.

In this analysis we decided to have a closer look at how three regional cities are performing and found that Limerick's two-bedroom apartments have soared 85% since the Barometer began in 2017 while those in Dublin 4 have risen by a much slower 26.8% to €532,500 over the same period. But then the latter had a head start as it saw an earlier recovery after the crash.

Furthermore, apartment prices in county areas have some way to go in order to catch up with those in neighbouring cities as, over the eight years of the Barometer, Cork City prices rose by rose 80.6% while those in the county grew by a slower 63.3%. But then it's a big county and those county areas farthest away from the city will not see as strong a demand thus reducing overall county averages.

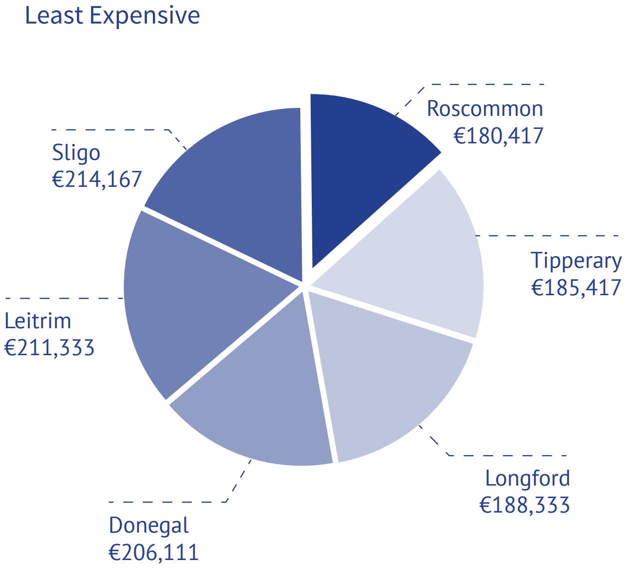
The gap between apartment prices in the two Galway markets widened in H2 as those in the city increased by 7.55% while those in the county grew by a slower 4.97%. Consequently, over the eight years of the Barometer, Galway City prices rose by 85% to €285,000 while those in the county rose at less than half that pace - by 40.1% to €169,000.

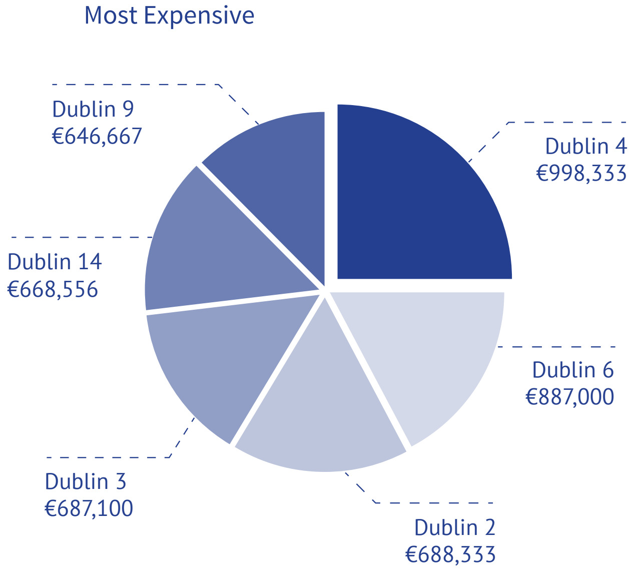
The scale of those price increases will be disappointing for home seekers, but they are still not enough to provide encouragement to those developers who might consider building new apartments in Cork, Galway and Limerick as the latest prices are still below the viability levels necessary for builders who might seek to address demand from individual apartment home buyers such as single people and those trading down.

Nor is the Dublin market very encouraging for developers either, as four Dublin apartment markets were among the five which recorded the weakest price growth in H2.

In Dublin 12, which includes Walkinstown, prices were practically unchanged at €300,000. In Dublin 1, which includes Mountjoy Square and the inner city, prices rose by 1.12% to €360,000. Dublin 18, including Foxrock, Cherrywood and Leopardstown, saw prices rise by 1.14% to €445,000 while North County Dublin saw prices rise 1.97% to €375,584.

Top Six Least and Most Expensive Locations
Results for Q3 and Q4 2024





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

As many as 17 of the 41 markets covered by the Barometer saw growth of between 5% and 8.7% in prices for three-bedroom semi-detached houses. Co. Clare saw the highest second price growth in the second half of 2024 as they rose by 8.49% to €287,500. Neighbouring Limerick city and county saw the fifth strongest price growth of 7.75% to €347,500.

That growth helped to push the overall performances of these two county markets to fourth and sixth strongest average growth across all three sectors measured in the Barometer. This suggests that Limerick city's economic activity is playing catch-up with Dublin.

One wonders if another contributing factor in the recent strong performance of Limerick and Clare may perhaps be attributed to the establishment of the Irish Fire group of individual investors, centred on Limerick, some of whom are promoting the benefits of investing in residential property through WhatsApp, podcasts and a regular column in the Irish Independent.

Another neighbouring county has also performed strongly with the Cork County market showing the third strongest three-bedroom semi price growth of H2 rising 8.37% to €323,572. That's more than double the 3.59% rate of growth in Cork City which rose to €396,250 during the same period.

Cavan also saw strong price growth for three beds coming fourth in this sector of the Barometer with a 7.95% rise to €237,500. Donegal came sixth with a 7.68% rise to €215,000. But that increase was still not sufficient to lift Donegal three beds more than marginally off the near bottom of the table as its prices are still the fourth cheapest in the country for this house type.

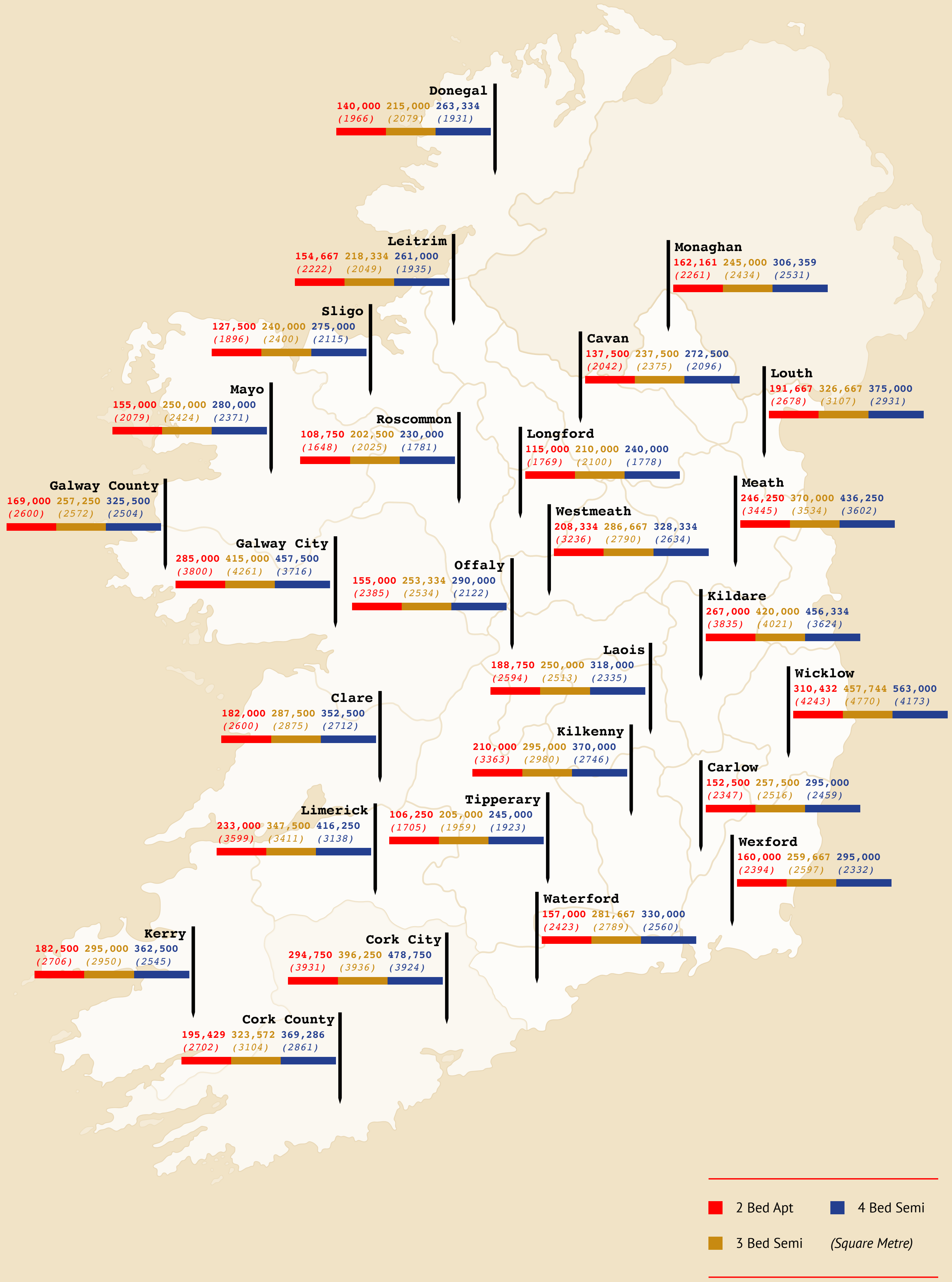
The cheapest are in Roscommon at €202,500 despite a 3.85% price rise in H2. Tipperary three beds are second cheapest at €205,000. Third cheapest are Longford at €210,000 after a 5% rise while a 7.38% jump lifted Leitrim three beds to an average of €218,334.

The five markets showing the weakest price growth in H2 were: Tipperary, 0.61%, Wicklow 0.95% to €457,774; Kerry 1.72% to €295,000; Dublin 2 rising 2.14% to €715,000 and Wexford rising 2.5% to €259,667.

The five three bed markets with the highest prices were in Dublin with Dublin 4 leading the way with a 6.14% rise to €1,037500. It was followed by neighbouring Dublin 6 including Ranelagh and Rathgar with a 7.04% rise to €950,000. Dublin 3 including Clontarf rose by 5% to €749,175 while Dublin 2, rose 2.14% to an average of €715,000.

Countrywide Price Breakdown

Price comparison across all counties



In H1 Dublin 6 apartments narrowed the gap on their Dublin 4 neighbours but the latter spurted a 5.45% price growth in H2 to €532,500 to maintain its reputation for the most expensive two-bedroom apartments in the Barometer while those in Dublin 6 grew by 4.39% to €511,000.

Dublin 2 had shared its third-place position in H1 with Dublin 18 but in H2 Dublin 2 scored a stronger 4.55% increase to €460,000 to retain its outright hold for third most expensive apartments. Furthermore, as Dublin 18 managed only a 1.14% growth and Dublin 14 saw a 3.6% growth, the latter took fourth slot and Dublin 18 slipped back to fifth most expensive.

The five average cheapest apartment prices were in Tipperary €106,250; Roscommon €108,750; Longford €115,000; Sligo €127,500 and Cavan €137,500.

Four-bedroom Semi-detached Houses

The working from home factor appears to be contributing to demand for four-bedroom house markets with near double-digit price growth seen in three markets in H2. As many as 13 markets recorded increases of between 5 and almost 10%. Galway City prices were the strongest performer rising 9.58% to €457,500 following on from a 3.73% rise in H1. Mayo four beds also performed well rising 9.09% to €280,000 while Donegal rose 8.82% to €263,334.

When it comes to four bedroom houses the issue of value for money appears to be as important as affordability in the Dublin commuter belt as suggested by the surges seen in Laois and Carlow. The former saw its prices rise 9.03% to €318,000 and the latter by 8.26% to €295,000. These two surges may also be attributed to the extension of family house hunting into the wider commuter belt. Their easier motorway access may also have given them an advantage over another midland county, Offaly, which saw the second slowest price growth at 0.58% to an average of €290,000.

The weakest price growth was seen in Roscommon, 0.55% to €230,000 which was also the cheapest four bed average in the country.

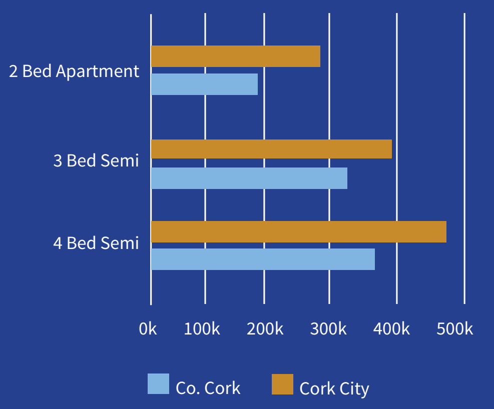
Monaghan was also practically unchanged at 0.75% to €306,359. As was Dublin 2 at 1.14% to €890,000 while Dublin 14 four beds rose 1.4% to €845,000.

Dublin 4 consolidated its lead in the four-bed category at €1,425,000 as it benefitted from a 5.56% surge in H2 and 9.4% in the whole of 2024.

The second most expensive four beds were in Dublin 6 where a 4.35% rise brought them to €1.2 million in H2 which amounted to a double digit 11.3% jump over the 12 months. Despite neighbouring Dublin 2 showing one of H2's weakest price increases, it maintained its position as third most expensive for four beds.

Dublin 3 was fourth most expensive at €887,250 followed by South County Dublin, including Dun Laoghaire and Dalkey, at €858,000.

Comparison of property prices between Jul-Dec 2024



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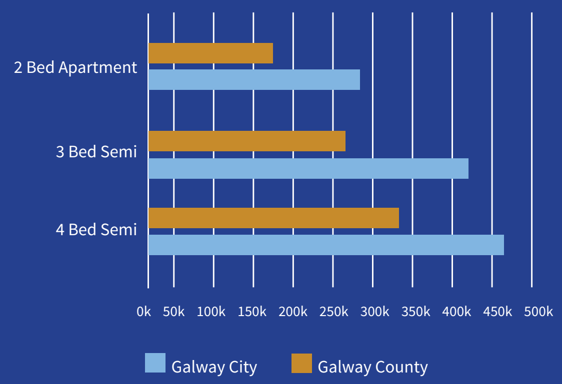
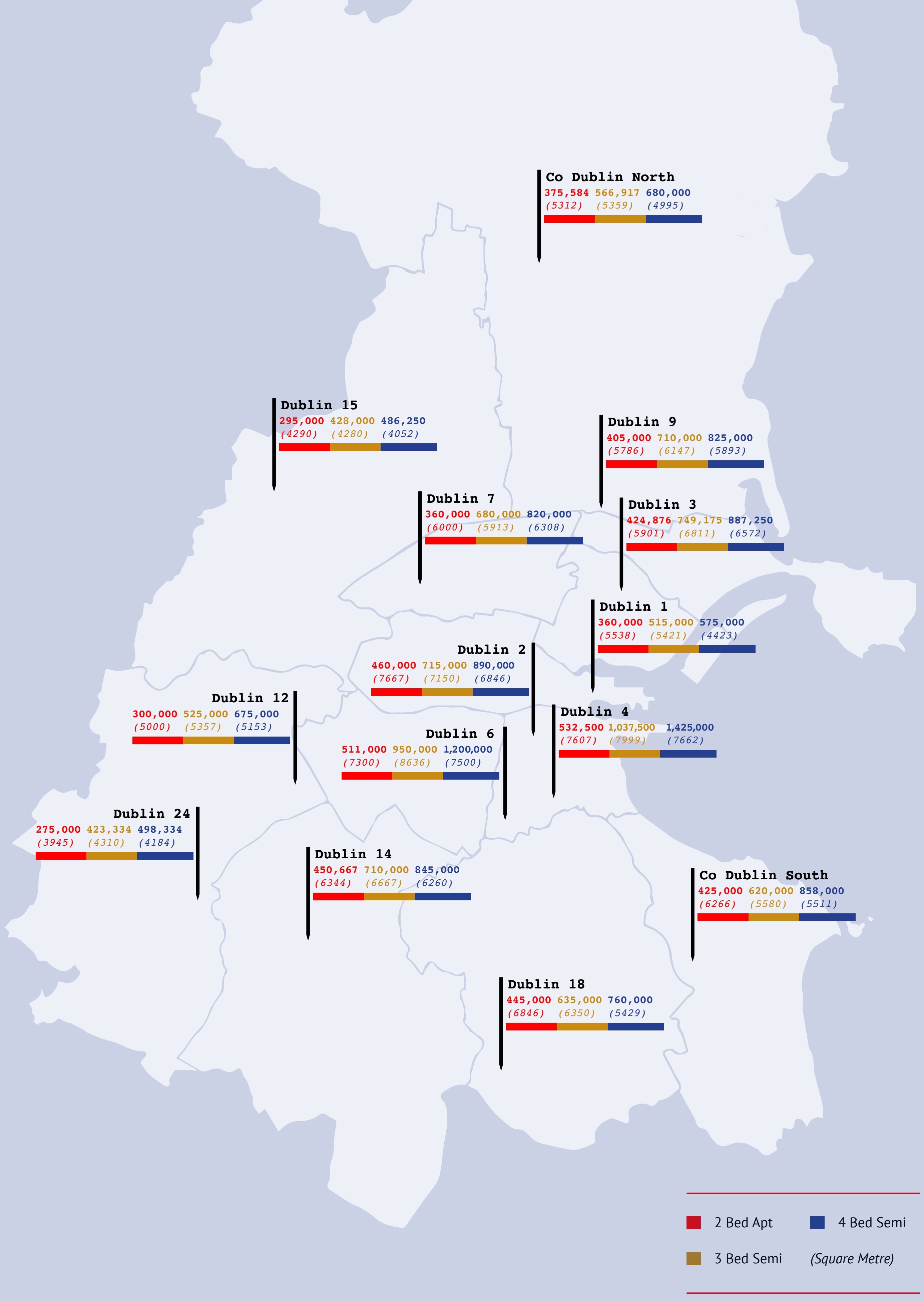


Dublin Price Breakdown

Price comparison across Dublin



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The figures in the barometer are the average price achieved over a six month period, July to December 2024, completed by 108 selected members of IPAV throughout the 26 counties of Ireland. ©