

IRISH RESIDENTIAL MARKET

SUMMER REVIEW 2018

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OVERVIEW

This past quarter has given the first indication that there may be some easing in the intense house price increases witnessed of late.

In Q2, second hand house prices nationally rose by 1.2%, the slowest rate in a year and a half.

Comparatively, prices rose 2.5% in the second quarter of 2017. In the year to date, prices nationally have increased by 3.3%, this compares to 4.4% over the equivalent period of last year.

Anecdotal evidence and an analysis of Property Price Register (PPR) data suggests a cooling in inflation at the upper end of the market. The revision to the macroprudential rules, which took effect at the beginning of the year, appears to be having an impact, with price increases in homes sales valued above €370,000 slowing considerably.

Transaction activity continues to rise steadily. In the opening three months of the year, a total of 10,900 single transactions were recorded on the PPR, a 5% rise on the comparable period in 2017. Similarly, activity in the new homes market is also strengthening. There were roughly 1,950 new home transactions in Ireland in Q1 2018, a substantial upturn of 41% year-on-year.

1.2%

HOUSE PRICES IN IRELAND ROSE BY 1.2% IN Q2 2018, THE SLOWEST GROWTH RATE IN 18 MONTHS.



10,900

APPROXIMATELY 10,900 TRANSACTIONS OCCURRED IN Q1 2018, EXCLUDING MULTI-FAMILY/BLOCK SALES.



Although output is dramatically lower than official estimates had previously stated, the CSO's inaugural new dwellings completions quarterly release indicates that an increasing number of new homes are being completed. Furthermore, the new Strategic Housing Development Planning System has facilitated a rapid growth in the amount of planning permissions granted, with an 81% rise in the number of dwellings units granted permission in Q1 2018, when compared with Q1 2017. Combined, both indicators point to an increased output potential and a positive step towards tackling the national housing shortage.



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