

# IRISH RESIDENTIAL MARKET

SUMMER REVIEW 2016



## OVERVIEW

The performance of the residential market during the opening half of 2016 is somewhat challenging to define. Despite the exceptional strength of the economy, the residential market indicators reveal a market that is underperforming in terms of both transaction and construction activity.

Firstly, an analysis of activity levels during the first quarter of 2016 revealed a reduction in sales recorded in the Property Price Register (PPR), of 9%, compared to the same period in 2015. Approximately 9,600 transactions were logged in the PPR with a total value of €2.3 billion. When multi-family/portfolio sales are excluded, a total of €2.1 billion transacted across 8,900 units. Due to the time lag in logging data to the PPR, quarter one data is the most accurate data available.

The first three months of the year saw sales activity slowing down in all regional centres compared to the same period in 2015. Most notably, Limerick and Galway saw activity reduced by 23% and 25% respectively.

In terms of new dwelling sales, activity decreased by 5% during the first three months of 2016 compared to the same period in 2015.

New construction activity, while improving, is still significantly below market requirements. According to the latest figures from the Department of Environment, Community and Local Government, a total of 4,293 residential units were completed nationally during the first four months of 2016. This level of completions is only a half of the market requirement.

Finally, the persistent mismatch between the volume of investors entering the market and those leaving is still fuelling very strong rental inflation, most notably in the large urban areas.

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[RESEARCHPUBLICATIONS@SHERRYFITZ.IE](mailto:RESEARCHPUBLICATIONS@SHERRYFITZ.IE)**

## 2.7%

HOUSE PRICES IN IRELAND ROSE MODERATELY IN THE OPENING HALF OF THE YEAR, BY 2.7%.



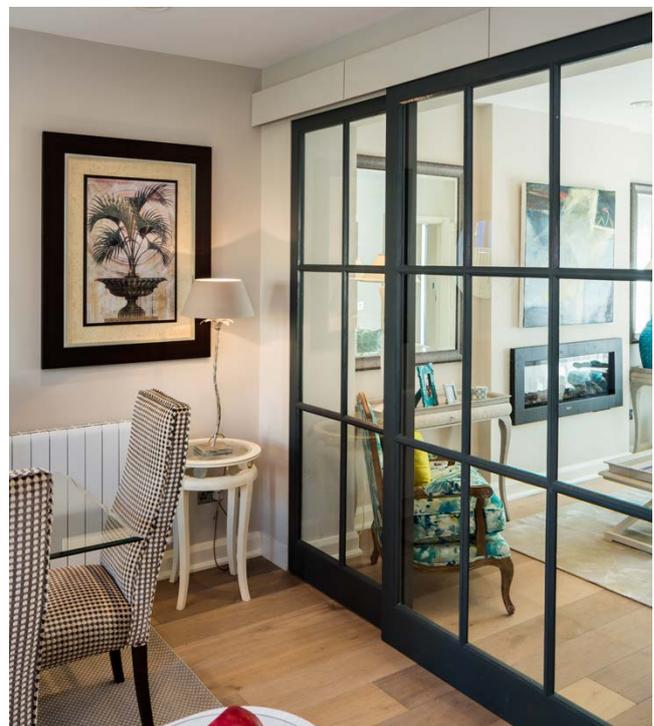
## 1.7%

THE DUBLIN RESIDENTIAL MARKET SAW PRICE INFLATION OF 1.7% DURING THE SIX MONTHS TO END JUNE 2016.



## 8,900

EXCLUDING MULTI-FAMILY/PORTFOLIO SALES, APPROXIMATELY 8,900 TRANSACTIONS WERE LOGGED IN THE PPR IN THE FIRST QUARTER OF THE YEAR.



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Marian Finnegan  
Chief Economist, Director  
Research  
+353 (0)1 237 6341  
[marian.finnegan@dtz.ie](mailto:marian.finnegan@dtz.ie)