

IRISH RESIDENTIAL MARKET

2017 REVIEW, OUTLOOK 2018

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OVERVIEW

2017 saw the residential market in Ireland continue the steady development seen in recent years, although major imbalances still persist in the market. Positive developments were evident in both transaction activity and the supply of new homes.

Nevertheless, chronic supply shortages still plagued the market, and against a backdrop of solid economic growth, these forces combined to drive residential prices up by 8.4% for the year.

The first nine months of the year saw approximately 35,600 single transactions take place according to the Property Price Register, a 9% increase on the equivalent period in 2016. 2017 also witnessed increased mortgage activity, and saw first-time buyers gain a larger foothold in the market. These developments were, in part, helped by the introduction of the Help to Buy scheme at the start of 2017, and the relaxation of macroprudential rules by the Central Bank the previous year.

Furthermore, the average value of new dwellings sold in Dublin in the first nine months of 2017 rose by a modest

35,600

APPROXIMATELY 35,600 TRANSACTIONS OCCURRED IN THE FIRST NINE MONTHS OF 2017, EXCLUDING MULTI-FAMILY/PORTFOLIO SALES.



8.4%

HOUSE PRICES IN IRELAND ROSE BY 8.4% IN 2017.



1%. The year also saw some increase in the delivery of new housing stock with an upturn in completions, commencements and planning permissions being granted, albeit from low bases.

However, despite these developments, the demand for housing still far outstripped supply in 2017. This imbalance manifested itself through sharp price increases across the country. In Dublin prices rose 8.8% in the year, up from 3.7% in 2016, while outside the capital, prices rose from 5.2% in 2016 to 7.9% in 2017.



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