Irish Property Capital Flows 2023

Introduction

The following report provides an in-depth analysis of the flow of capital into the Irish property market during 2023. This includes total spend on residential property incorporating single asset transactions and multi-family or block sales, as well as commercial property including agricultural land and development land. For accuracy purposes, only commercial property and development land transactions valued at €1 million and over are included. Furthermore, off market and confidential transactions for which information was not available are excluded.

The purpose of the report is to highlight trends in capital flows across the country and over time. While every effort has been made to ensure that the data presented in this report is accurate, it must be noted that all totals are, by their nature estimates, given the limited sources of recorded material in relation to Irish property transactions.

Section 1

Key Trends

Capital flows into the Irish property market totalled €25.5 billion in 2023, falling below the €27.2 billion recorded in 2022.

Residential spend remained relatively unchanged from the 2022 level at €22.9 billion. Interestingly, spend by private households rose by 5% during the year, while the portion absorbed by non-household entities fell by 18% compared to the previous year to reach €4.1 billion.

Commercial spend contracted by a significant 41% during the year to reach €2.6 billion, reflecting the impact of tighter lending conditions.

Dublin saw its portion of capital flows decline to 46% in 2023 from 50% the previous year. In contrast, the regional centres of Cork and Galway witnessed considerable growth in capital flows compared to 2022 levels to absorb 10% and 4% of total turnover respectively.

Direct investment into commercial property fell to €1.4 billion in 2023, from €2.7 billion the previous year, with industrial and logistics assets attracting the largest share of capital spend at 36%. Retail assets absorbed 28% of spend while office assets accounted for a further 27%.

Development land transactions also fell significantly during the year to total €392 million, representing 15% of total commercial capital flows. Spend on agricultural land fell by a more moderate 11% to reach €357 million.

For more details or to receive the full version of the report, please email: researchpublications@sherryfitz.ie

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