

IRISH RESIDENTIAL MARKET

SPRING REVIEW 2018

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OVERVIEW

The opening quarter of 2018 has seen no relent in the strength of residential property price growth in Ireland, as the misalignment between supply and demand persists.

House prices rose by 2.1% in the quarter, while in comparison, prices grew 1.9% in the opening quarter of 2017. That said, the opening three months of the year has seen further positive developments in terms of transaction and construction activity.

The sustained disparity between the demand and supply in the market has seen the country experience a period of prolonged sharp house price increases. Annually to Q1 2018, residential property prices nationally have increased by 8.6%.

In a more positive development, 2017 saw approximately 50,900 single transactions occur according to the latest available data from the Property Price Register, a 14% increase on 2016. Furthermore, the Help to Buy scheme has facilitated greater activity in the new homes market, with the volume of new homes transacting over the year increasing to almost 8,400, an upsurge of 47% year-on-year.

The Help to Buy scheme has been particularly effective in Dublin and its neighbouring counties of Meath and

2.1%

HOUSE PRICES IN IRELAND ROSE BY 2.1% DURING THE OPENING QUARTER OF 2018.



50,900

APPROXIMATELY 50,900 TRANSACTIONS OCCURRED IN 2017, EXCLUDING MULTI-FAMILY/PORTFOLIO SALES.



Kildare. By enabling increased transactions and acting as an incentive for greater supply, the scheme has been central in curtailing price growth in the new homes market in these counties, with the median price of a new home falling by 3% in Dublin in 2017, and growing by a marginal 1% and 2% in Meath and Kildare respectively.

The quarter has also seen the first approvals in the fast-track planning system and improvements in completions, commencements and planning permission numbers. All of these suggest an increasing construction output potential. Although, this has yielded some increase in output, the delivery of new homes still falls considerably short of what is required.



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