

The Daft.ie House Price Report

An analysis of recent trends in the Irish residential
sales market 2021 Q3

“With Ireland registering population growth and net migration even during the worst of the Covid-19 pandemic, and with strong evidence of suppressed household formation, demand for housing is set to remain strong well past the short- and medium-term and into the middle of the century.”



Ronan Lyons,
Associate Professor in Economics
Trinity College Dublin

The end of the covid spike?

As we look back over the last 18 months or so, since the first covid outbreaks in Europe, in many ways 2020 was the year of rising pressure in relation to the pandemic, culminating – at least in Ireland and some of its peers – in a horrendous peak around January. This has left 2021 to be, so far, a year of steadily falling pressure, with vaccinations doing enough to offset the incredibly contagious delta variant of the disease.

That pattern, of rising and then falling pressure, is evident in the housing market too, the figures in this latest report confirm. Nationally, year-on-year inflation fell from 13.2% in the second quarter, its highest value since early 2015, to 9.1% in the third quarter – still a very high rate of inflation but more in line with the 2014-2019 average. In Dublin, and in the four other major cities, the rate of inflation is now close to 5%. In Dublin, this represents the impact of the 0.8% fall in list prices in the third quarter of the year, ending a run of four successive quarters of increases.

In the other cities, while prices still rose in the third quarter (by 1.7% on average), the collapse in inflation from almost 14% to just 5.3%, on average, reflects the third quarter of 2020 falling out of the calculation. In 2020Q3, list prices had jumped an extraordinary 9.8% in just three months – the largest three-month increase on record, extending back to the start of 2006. Elsewhere in the country, inflation remains very elevated – at almost 13% on average, year-on-year,

and varying from 8% in Meath to 22% in Mayo – but down from the mid-year spike of 16.8%.

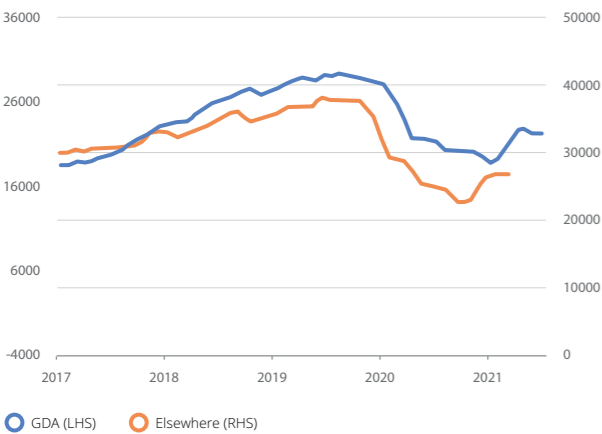
The easing of extraordinary price pressures in the sales market reflects the easing of restrictions and the recover of, in particular, the second-hand market for homes to buy. In general, over the past 18 months, the number of listings over a 12-month period has held up better in Dublin and its commuter counties than elsewhere.

Taking the five counties in the Greater Dublin Area (GDA), the total number of listings on daft.ie had risen from 20,000 in the year to January 2017 to 30,000 in late 2019 – before losing all those gains by early 2021, as covid19 brought the housing market to a halt. Since then, though, the number of listings in the capital and nearby has risen by about 20%, up to 24,000 in the 12 months to August, meaning there have been about one-sixth more listings in the year to August 2021 than in the same period five years previously.

Elsewhere in the country, the recovery in housing market liquidity had been less pronounced in the run-up to the pandemic to begin with. The number of listings did creep up between early 2017 and late 2019, but by less than one quarter, rather than a half. The fall off has been greater, too, with the 12-month total number of listings outside the GDA dropping from nearly 40,000 in late 2019 to just over 25,000 in early 2021. As a result, while the volume of Dublin listings is about one sixth above its level of five years ago, the volume elsewhere is nearly 10% lower.

A summary of these trends is shown in the figure accompanying this commentary.

Figure 1. Number of listings (12 month total)



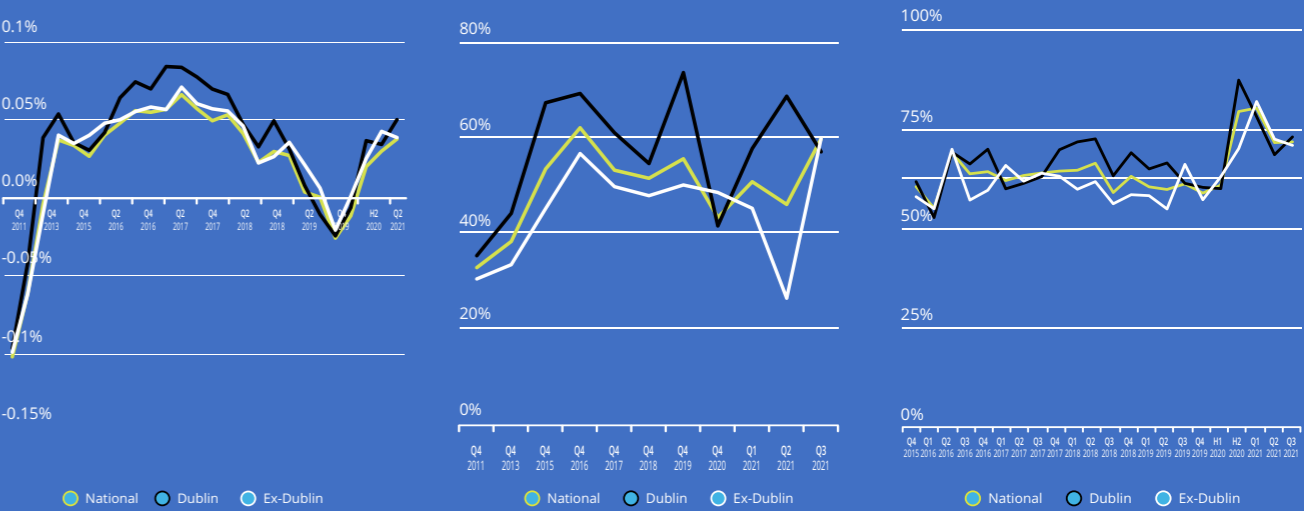
Despite the improvement in the number of properties coming on to the market, overall availability remains extraordinarily tight – a testament to very strong demand for homes for sale in the country currently. The total number of homes for sale nationwide on September 1st was 12,675 – up slightly from the March low of 11,919 but not much more than half of the pre-covid average of 22,500 in 2019. Compared to the early 2010s, when there were more than 50,000 homes for sale around the country, it's a different market entirely.

With Ireland registering population growth and net migration even during the worst of covid19 pandemic, and with strong evidence of suppressed household formation, demand for housing is set to remain strong well past the short- and medium-term and into the middle of the century. Reasonable parameters for population, headship and obsolescence imply a need of roughly 50,000 new homes annually, for every year between 2016 and 2051. That is a need that transcends tenure modes – in other words, the 50,000 new homes are across owner-occupied, private rental and social housing sectors.

To be on target for this, Ireland would have needed to have built 250,000 between 2016 and 2020. Instead, the country built fewer than 85,000. As the country emerges from the covid19 pandemic, the chronic and worsening housing shortage looms large economically and politically.

Market Survey

Each quarter, Daft.ie surveys over 1,000 property market participants, asking them about their sense of the market as a whole, and their own intentions. Below are some of the headline results.



Expectations of price growth return

During 2020, the typical respondent expected sale prices to fall in the coming year - respondents in early 2021 expect price growth of 3% nationwide in the next 12 months.

Expectations of price growth are higher in Dublin than elsewhere: 3.7% versus 2.5%.

Two in three waiting for deposit

Two thirds of those looking to buy but not straight away cite the need to save for a deposit as a key factor in delaying home purchase.

Across ten years of surveys, this is the biggest fraction outside Dublin to cite this factor.

Lack of homes still a factor

Roughly three in five respondents cite the lack of homes as a factor in delaying home purchase.

The lack of supply has been a relatively constant feature in the market throughout the five years.

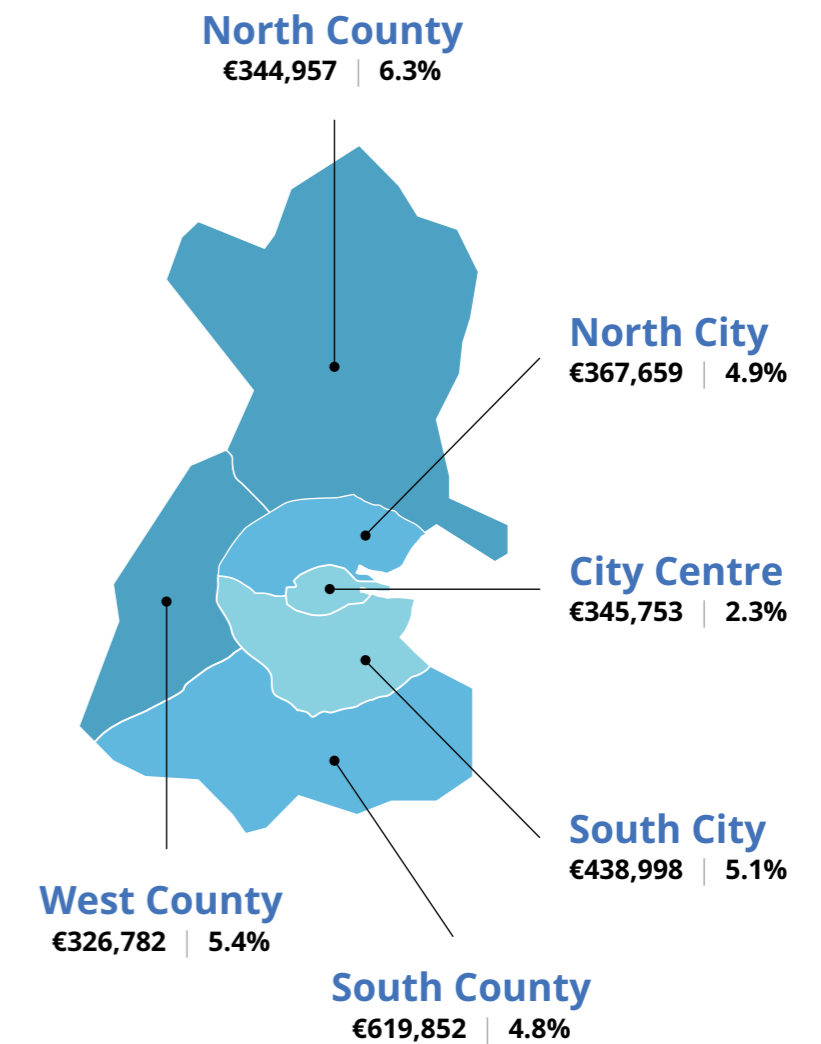
Nationwide

Average list prices and Y-on-Y change



Dublin

Average list prices and Y-on-Y change



Prices rise in all markets

Across the 54 markets covered in each Daft.ie Sales Report, prices are higher now than a year ago in all but one - Dublin 6, where prices are 1.6% lower than a year ago. In all markets outside the five main cities, price rises are above 10% year-on-year, with the exception of Meath (7%). The largest price increases are in rural regions and counties with Mayo, Leitrim, Cavan, Clare, and Waterford county all seeing price rises above 17% year on year.

Daft.ie National Price Index

€287,704

Average Listing Price

Asking Prices, Residential Sales

(2012 average = 100)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
January	151.6	128.2	105.6	96.8	99.9	112.8	122.1	134.1	143.4	151.0	149.3	162.3
February	150.3	128.1	104.5	96.1	99.3	117.6	122.9	135.6	145.8	153.2	149.9	160.3
March	146.7	125.3	102.9	96.6	103.3	119.1	125.7	135.8	146.0	155.2	152.5	163.3
April	146.6	121.8	101.7	96.6	104.5	118.7	125.0	140.6	148.4	154.5	144.4	166.1
May	145.0	120.1	102.2	97.0	107.2	119.4	126.0	141.9	149.2	151.9	149.9	167.1
June	141.8	116.1	99.5	97.5	107.9	118.2	127.8	140.6	149.3	154.2	149.1	168.0
July	138.0	115.4	97.8	96.5	109.9	120.3	128.9	141.4	151.4	152.5	152.9	169.3
August	137.6	113.1	98.9	97.0	111.2	120.4	130.1	142.0	149.7	151.7	155.8	169.7
September	136.5	113.3	97.1	96.7	112.9	121.5	130.9	141.0	151.4	148.4	156.2	168.0
October	134.0	108.7	97.9	97.2	110.5	120.6	128.7	141.8	150.6	148.4	157.3	
November	130.9	106.0	95.8	96.9	110.0	119.5	129.0	139.2	147.1	145.1	157.7	
December	129.8	106.0	96.0	96.2	111.1	119.8	131.0	143.3	149.8	148.6	161.0	

1% growth in Q3

Average list prices nationally rose by 1% in the third quarter of 2021, the fifth consecutive quarter of growth.



Year-on-year growth at 9.1%

Prices nationally in the third quarter of 2021 were 9.1% higher than the same period a year previously.



Gains greatest in rural Ireland

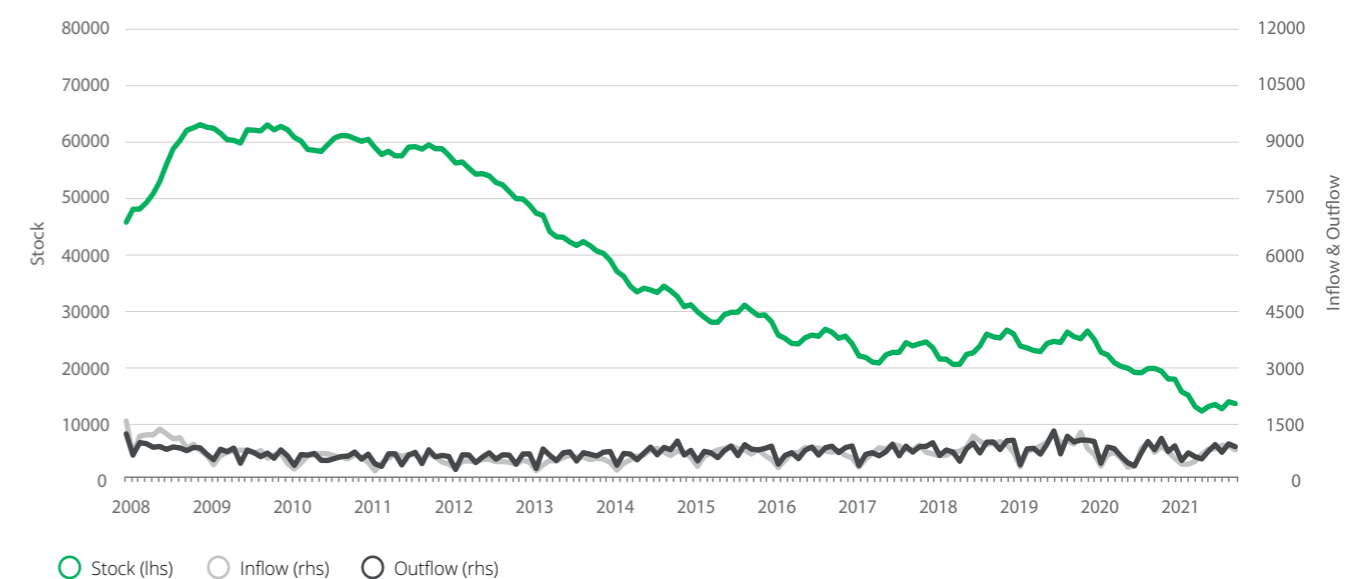
While Dublin saw an 4.9% increase in prices, year-on-year, prices were 5.3% higher in the four cities outside Dublin and between 11% and 15% higher in Leinster, Munster and Connacht-Ulster, outside their respective cities.



Number of homes available to buy still very low

The total number of properties available to buy on September 1st was just 12,675, down by over 6,300 from the same period last year.

Stock of properties to rent on Daft.ie (start of month) and flow of new properties to rent, 2008-2021

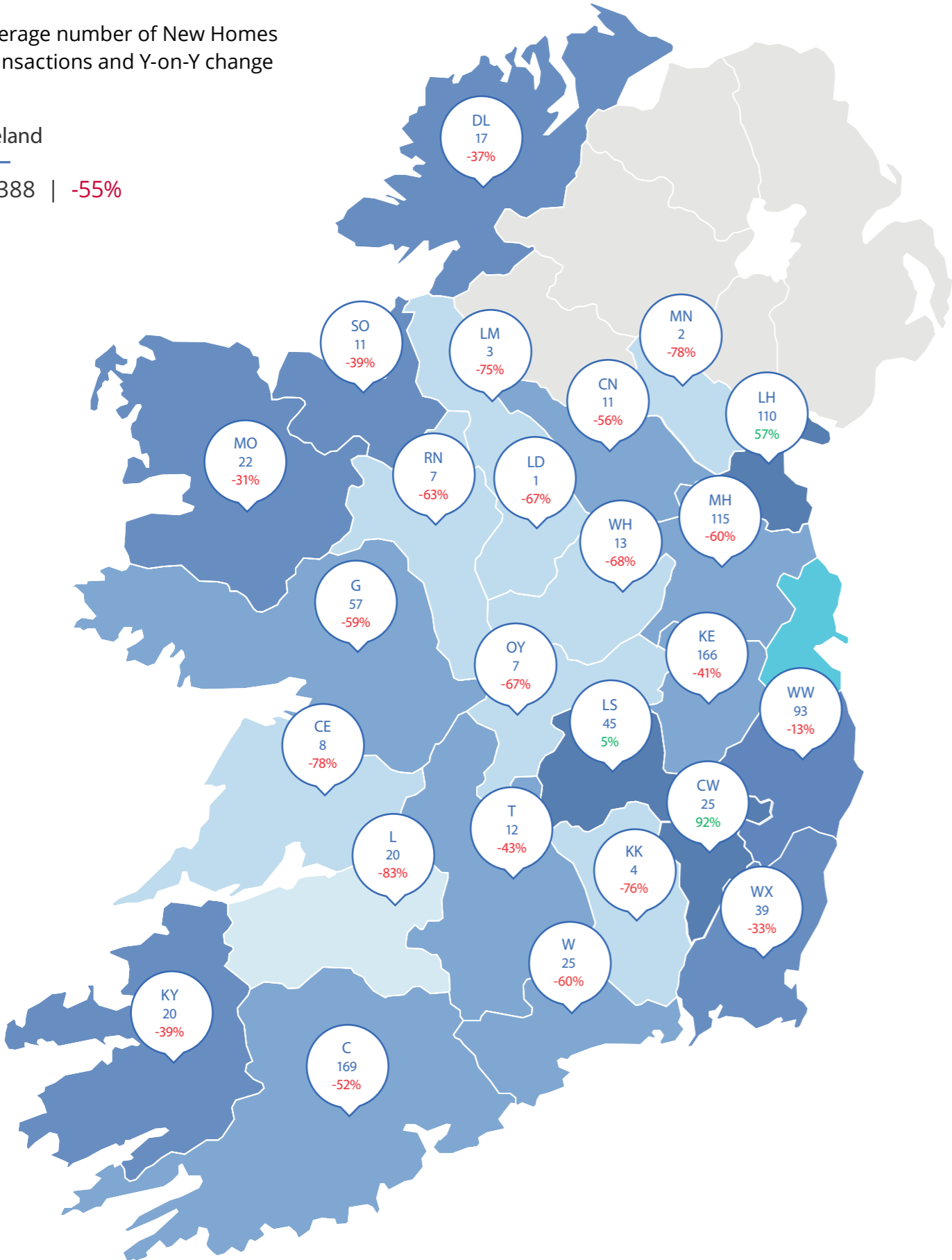


The Daft.ie List Price Index is based on listed prices for properties posted for sale on Daft.ie. An index based on list price, as opposed to closing price, is a measure of sellers' expectations. Figures are calculated from econometric regressions, which calculate changes in price that are independent of changes in observable measures of quality, such as location, or bedroom number.

New Homes

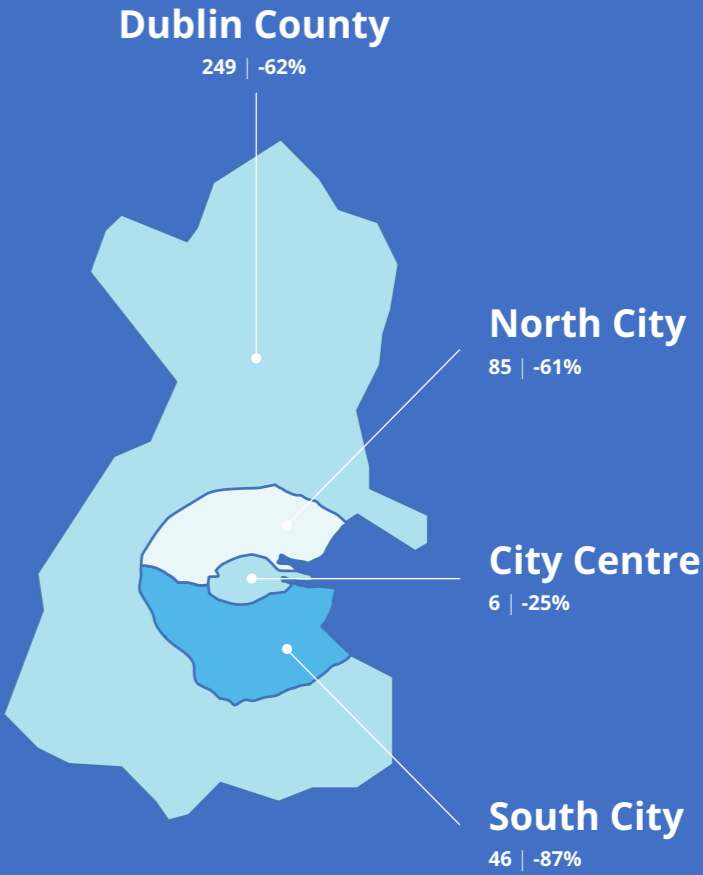
Average number of New Homes transactions and Y-on-Y change

Ireland
1,388 | -55%



Dublin

Average number of new homes transactions and Y-on-Y change



1,388

In the six months to July 2021, there were just 1,388 transactions involving newly-built homes, a fall of 55% compared to the same six-month period a year earlier.

2021
€345k

The typical price for a newly-built home sold between January 2021 and July 2021 was €345,000, down 2% from €351,850 in the same period in 2020.

-69%

Transactions of new homes in Dublin fell by 69%, comparing these two six-month periods, bringing its share of new home transactions down from 40% to 28%.

Daft.ie Snapshot of Asking Prices Nationwide



What can I ask for? Can I afford it?

Average asking prices across Ireland (€000s), and annual change (%), 2021 Q3

		1 bed apartment		2 bed terraced		3 bed semi-d		4 bed bungalow		5 bed detached	
DUBLIN	Dublin 1	€233	0.6%	€337	3.1%	€438	1.5%	€611	0.3%	€736	1.1%
	Dublin 2	€357	16.2%	€447	2.9%	€577	5.1%	€785	-1.1%	€971	20.4%
	Dublin 3	€276	-2.3%	€400	5.7%	€503	6.6%	€743	1.9%	€835	1.0%
	Dublin 4	€388	17.8%	€531	8.9%	€717	7.5%	€1,084	-2.3%	€1,274	2.8%
	Dublin 5	€199	-9.2%	€284	1.9%	€398	3.4%	€632	-1.0%	€704	-6.2%
	Dublin 6	€328	-10.1%	€469	0.9%	€657	2.4%	€1,043	-2.0%	€1,162	-7.1%
	Dublin 6W	€272	-4.4%	€388	7.3%	€544	9.0%	€864	4.3%	€962	-1.2%
	Dublin 7	€218	-7.2%	€312	4.2%	€436	5.8%	€693	1.3%	€772	-4.1%
	Dublin 8	€227	-5.5%	€324	6.1%	€454	7.7%	€720	3.1%	€802	-2.3%
	Dublin 9	€211	-5.6%	€301	6.0%	€422	7.6%	€669	3.0%	€746	-2.4%
	Dublin 10	€145	-6.7%	€207	4.7%	€289	6.3%	€459	1.8%	€512	-3.6%
	Dublin 11	€163	-3.6%	€232	8.3%	€326	9.9%	€517	5.2%	€576	-0.3%
	Dublin 12	€187	-3.5%	€268	8.4%	€375	10.0%	€596	5.3%	€663	-0.2%
	Dublin 13	€208	-6.1%	€298	5.5%	€417	7.0%	€662	2.5%	€738	-2.9%
	Dublin 14	€258	-8.2%	€369	3.1%	€517	4.7%	€820	0.2%	€913	-5.1%
	Dublin 15	€167	-5.3%	€239	6.4%	€334	8.0%	€531	3.4%	€591	-2.1%
	Dublin 16	€225	-6.0%	€322	5.6%	€451	7.2%	€716	2.6%	€798	-2.8%
	Dublin 17	€146	0.6%	€208	12.9%	€292	14.6%	€463	9.7%	€516	4.0%
	Dublin 18	€246	-5.3%	€351	6.4%	€492	8.0%	€781	3.4%	€870	-2.1%
	Dublin 20	€188	-3.3%	€269	8.6%	€377	10.2%	€598	5.5%	€666	-0.1%
	Dublin 22	€145	0.1%	€208	12.4%	€291	14.1%	€461	9.2%	€514	3.5%
	Dublin 24	€153	-4.1%	€218	7.6%	€305	9.3%	€485	4.6%	€540	-0.9%
	North Co Dublin	€168	-4.3%	€240	7.5%	€336	9.1%	€534	4.4%	€595	-1.1%
	South Co Dublin	€293	-5.0%	€419	6.6%	€587	8.2%	€931	3.6%	€1,037	-1.8%
	West Dublin	€156	-5.5%	€223	6.0%	€313	7.6%	€496	3.0%	€553	-2.4%
OTHER CITIES	Cork City	€138	2.0%	€177	5.3%	€266	8.1%	€448	4.1%	€525	-4.8%
	Galway City	€130	-0.7%	€167	2.6%	€250	5.3%	€422	1.3%	€495	-7.4%
	Limerick City	€107	3.8%	€137	7.2%	€205	10.1%	€346	5.9%	€405	-3.1%
	Waterford City	€92	2.6%	€118	6.0%	€177	8.8%	€298	4.7%	€350	-4.2%

		1 bed apartment		2 bed terraced		3 bed semi-d		4 bed bungalow		5 bed detached	
LEINSTER	Meath	€114	-0.7%	€154	9.6%	€217	12.1%	€423	11.0%	€428	-1.5%
	Kildare	€123	2.7%	€166	13.3%	€235	15.9%	€457	14.7%	€463	1.8%
	Wicklow	€149	2.0%	€202	12.6%	€286	15.2%	€556	14.0%	€563	1.2%
	Louth	€102	1.1%	€137	11.6%	€194	14.2%	€378	13.0%	€383	0.3%
	Longford	€59	6.0%	€80	17.1%	€114	19.7%	€221	18.5%	€224	5.2%
	Offaly	€83	3.2%	€112	13.9%	€158	16.6%	€308	15.3%	€312	2.4%
	Westmeath	€91	2.1%	€123	12.7%	€174	15.3%	€339	14.1%	€343	1.2%
	Laois	€83	1.8%	€113	12.4%	€159	15.0%	€310	13.8%	€314	1.0%
	Carlow	€85	5.1%	€115	16.0%	€163	18.7%	€317	17.5%	€321	4.2%
	Kilkenny	€96	2.1%	€130	12.8%	€183	15.3%	€357	14.1%	€361	1.3%
MUNSTER	Wexford	€89	6.9%	€120	18.0%	€169	20.7%	€329	19.5%	€333	6.0%
	Waterford Co	€100	8.9%	€126	17.8%	€184	23.0%	€347	20.4%	€355	10.1%
	Kerry	€84	4.8%	€106	13.3%	€154	18.3%	€291	15.8%	€297	5.9%
	Cork Co	€98	4.1%	€123	12.6%	€179	17.5%	€338	15.0%	€346	5.2%
	Clare	€83	9.0%	€105	17.9%	€153	23.1%	€289	20.4%	€295	10.2%
	Limerick Co	€77	2.5%	€97	10.9%	€141	15.8%	€267	13.3%	€272	3.6%
	Tipperary	€78	5.2%	€98	13.8%	€142	18.8%	€269	16.2%	€275	6.3%
	Galway Co	€80	7.1%	€104	14.6%	€149	24.3%	€294	18.7%	€287	5.0%
	Mayo	€69	13.1%	€89	20.9%	€128	31.2%	€252	25.3%	€246	10.8%
	Roscommon	€59	9.1%	€76	16.7%	€109	26.6%	€215	20.9%	€211	6.9%
CONNACHT	Sligo	€68	4.2%	€88	11.4%	€126	20.9%	€249	15.5%	€243	2.1%
	Leitrim	€58	12.2%	€75	20.0%	€108	30.2%	€213	24.4%	€208	10.0%
ULSTER	Donegal	€62	3.3%	€80	10.5%	€115	19.9%	€227	14.5%	€222	1.3%
	Cavan	€64	9.8%	€83	17.4%	€118	27.4%	€234	21.7%	€229	7.6%
	Monaghan	€76	5.9%	€99	13.3%	€142	22.9%	€279	17.4%	€273	3.8%

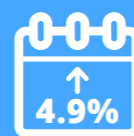
Dublin

Prices dip in the 3rd quarter of 2021



Prices dip in the 3rd quarter of 2021

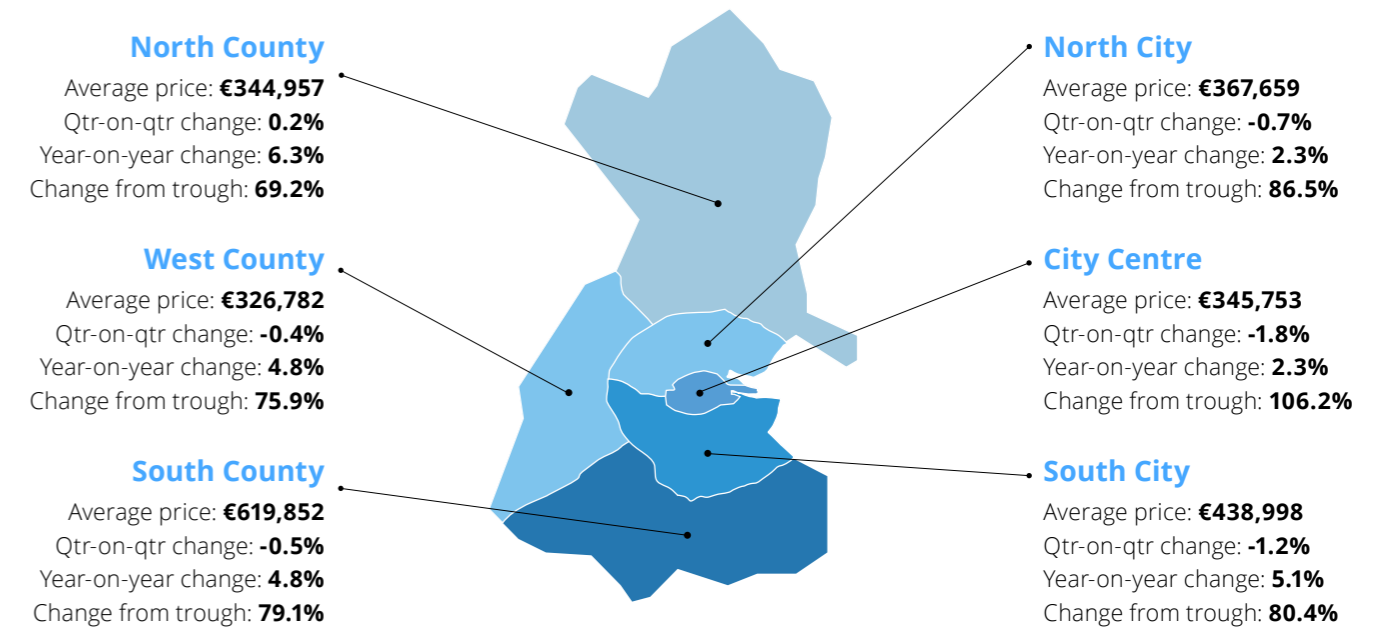
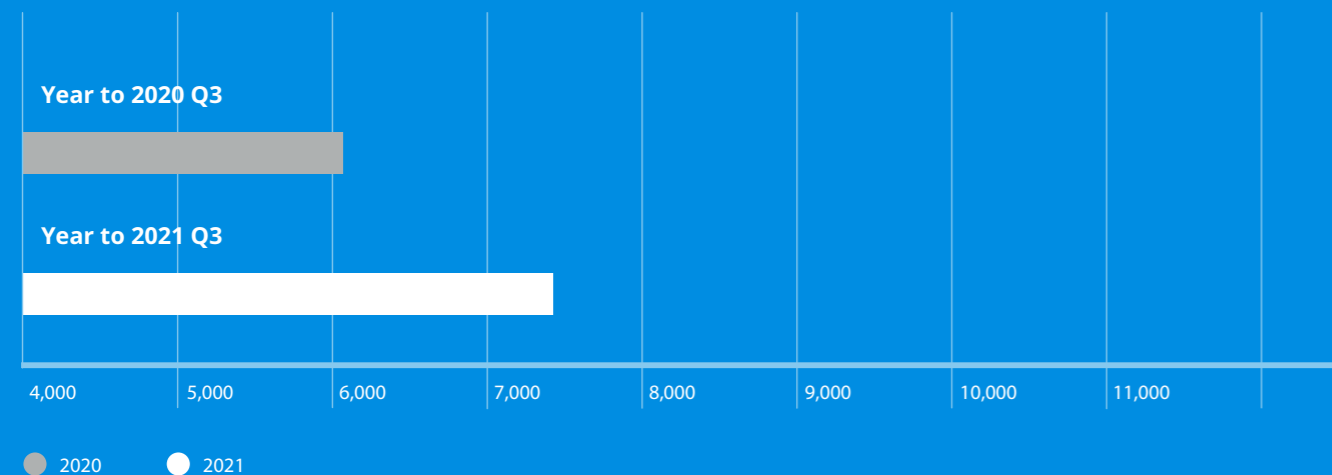
Across Dublin, listed prices dropped by an average of 0.8% between July and September, dipping for the first time since 2020 Q2.



4.9% annual rise

Annual price inflation in Dublin is just under 5%, a slightly more modest annual growth compared to the three previous quarters which saw annual inflation at over 7%.

Number of residential property transactions



Supply down 26%

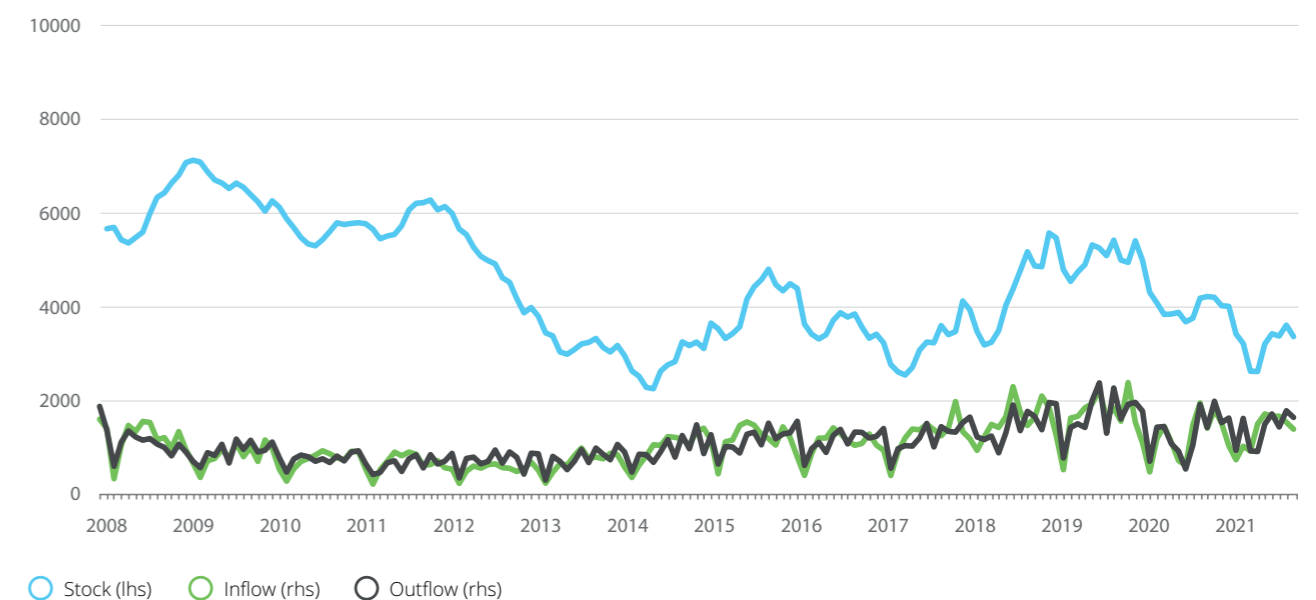
There were just under 3,126 homes for sale in Dublin on September 1st, down 26% from just over 4,200 on the same date a year ago.

22%

Transactions up 22%

There were 22% more transactions in Dublin in the six months to July 2021 than the same period a year earlier: 7,400 compared to 6,074.

Dublin Stock Flow Figures Q3 2021



Leinster

Prices continue to increase



2.6% rise in 3 months

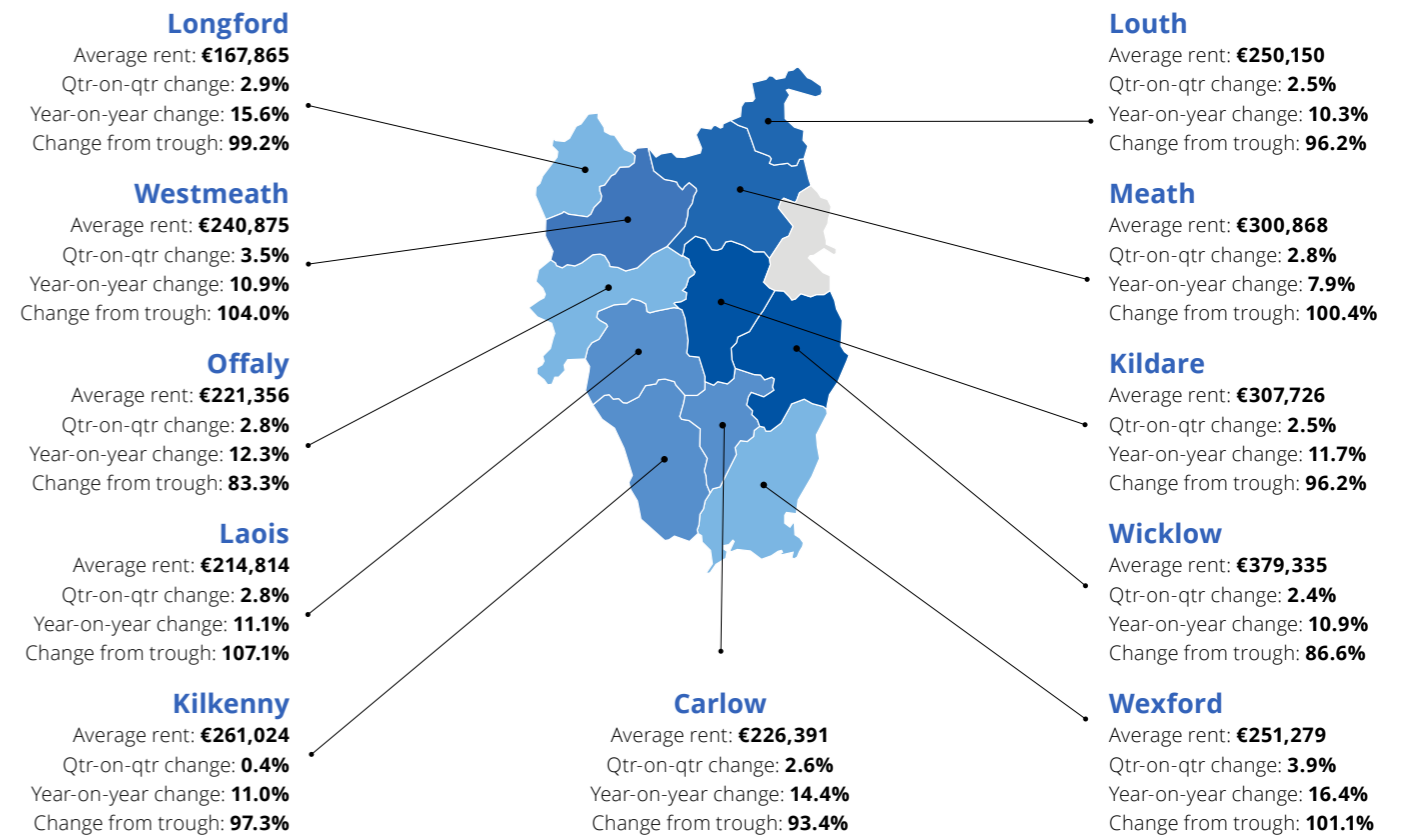
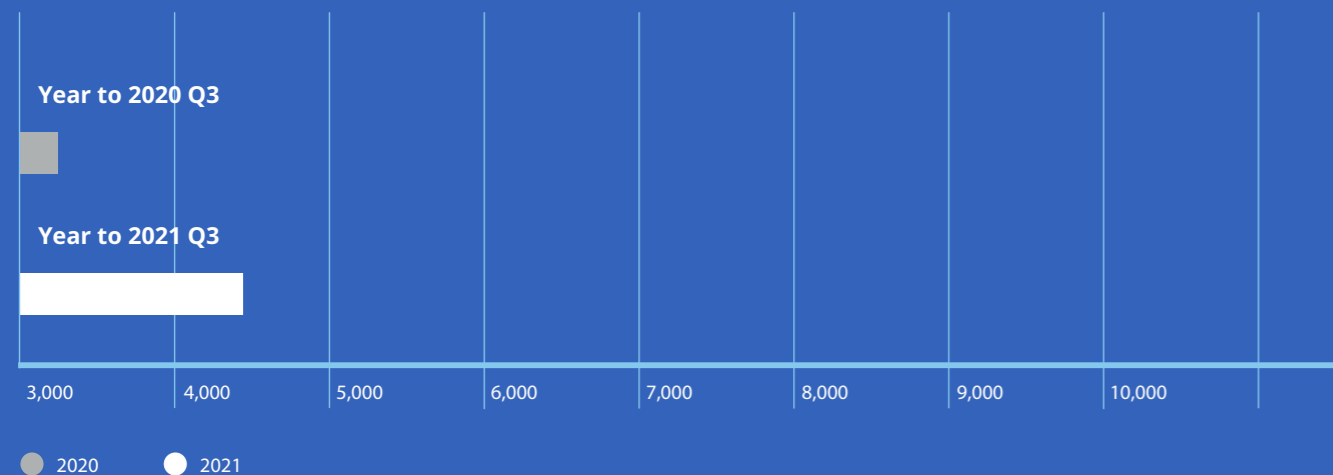
Listed prices in Leinster (outside Dublin) rose by 2.6% in Q3, slowing from a 5.6% jump in Q1.



Up 11.4% year-on-year

The continued jump in prices in the region in the second quarter means that, compared to a year ago, prices in Leinster are now 11.4% higher than a year previously.

Number of residential property transactions



Supply down 41%

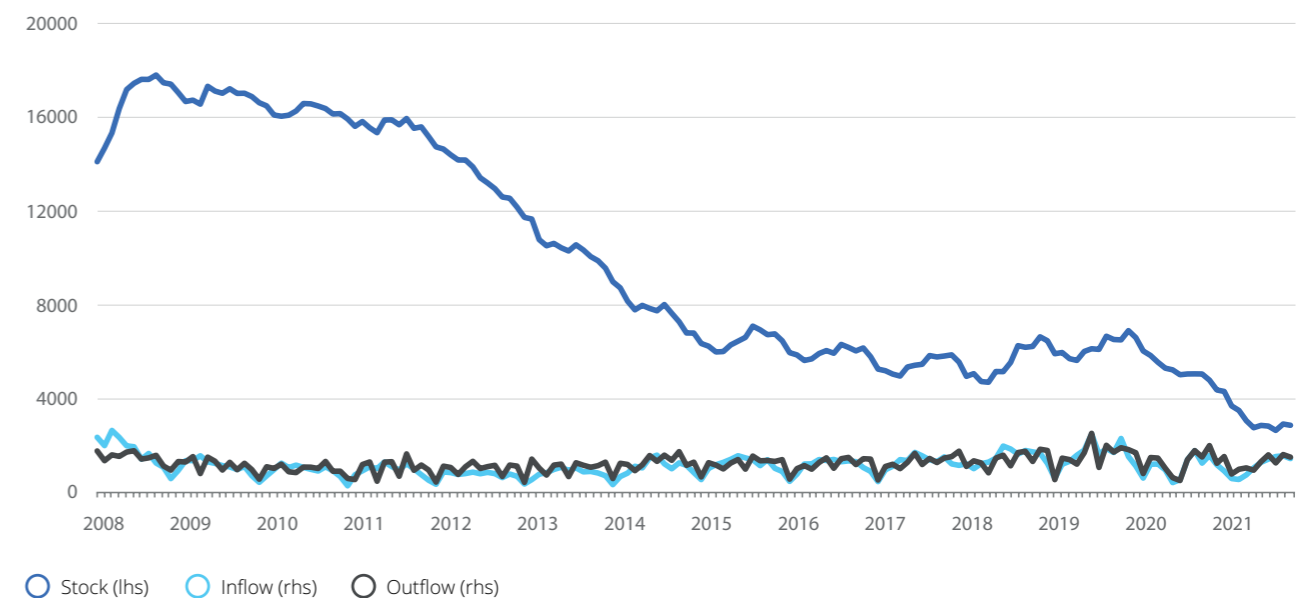
There were roughly 2,800 properties on the market in Leinster (outside Dublin) on September 1, down 41% from over 4,700 on the same date a year ago.

38%

Transactions up 38%

There were 38% more transactions in Leinster (excluding Dublin) in the six months to July 2021 than the same period a year earlier: 7,332 compared to 5,332.

Leinster Stock Flow Figures Q3 2021



Munster

Quarterly inflation stabilising



1.2% quarterly price growth

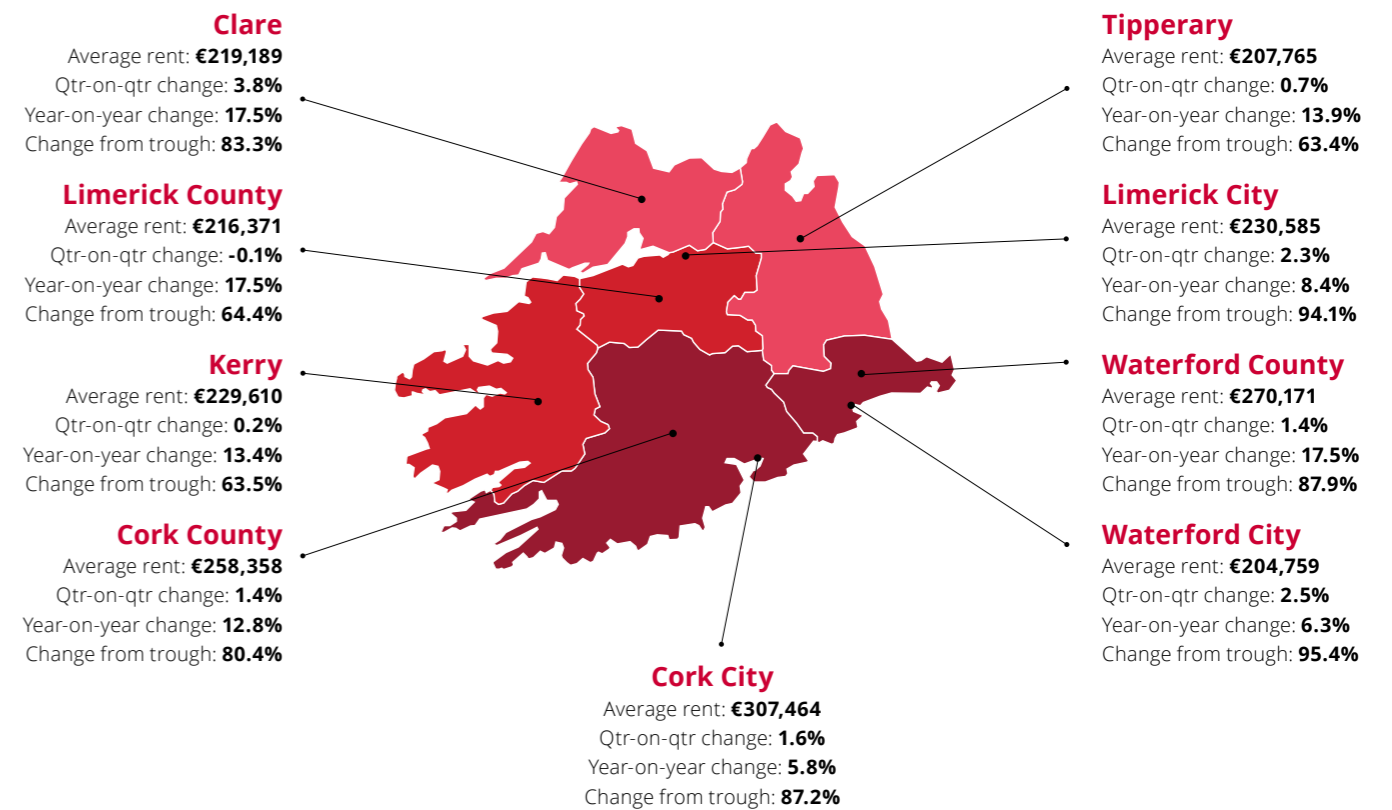
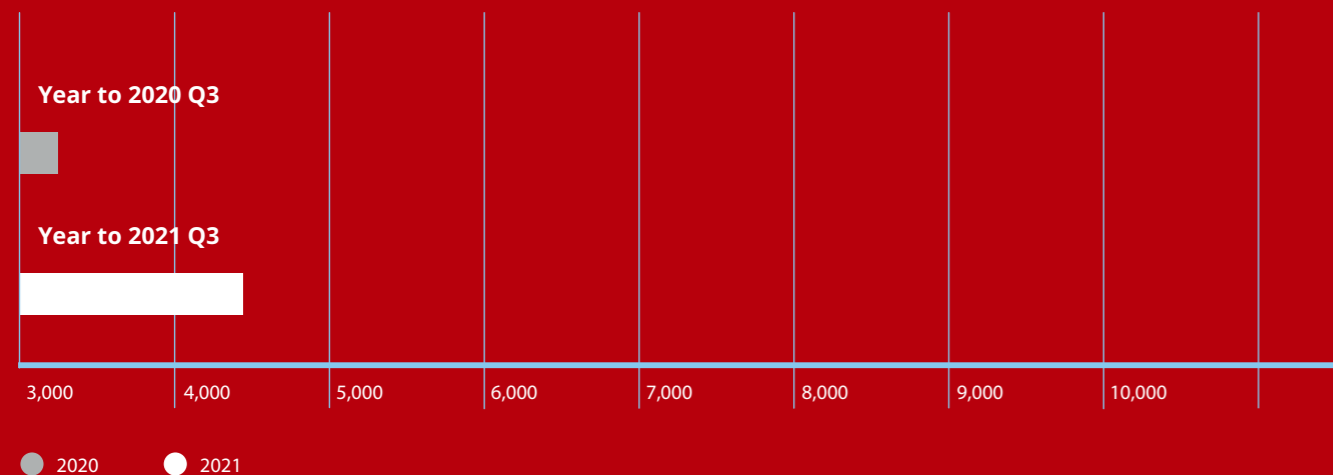
Across Munster, listed prices increased by an average of 1.2% between July and September, down from 8.5% in the previous quarter.



Up 13.6% year-on-year

The jump in prices in Q2 means that prices in Munster are now 13.6% higher than a year previously.

Number of residential property transactions



Supply down 31%

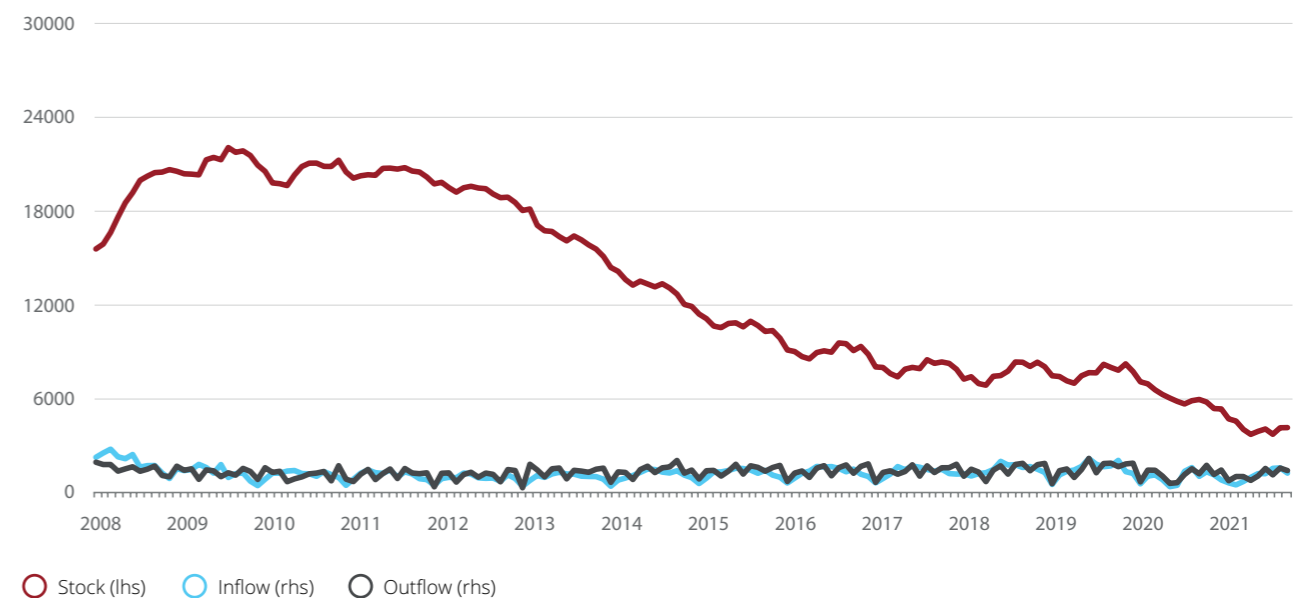
There were just over 3,800 properties on the market in Munster on September 1, down from 5,600 on the same date a year ago.



Transactions up 22%

Reflecting the impact of covid19 last year, there were 22% more transactions in Munster in the six months to July 2021 than the same period a year earlier: 6,455 compared to 5,286.

Munster Stock Flow Figures Q3 2021



Connacht/Ulster

Prices continue to grow



3.1% jump in 3 months

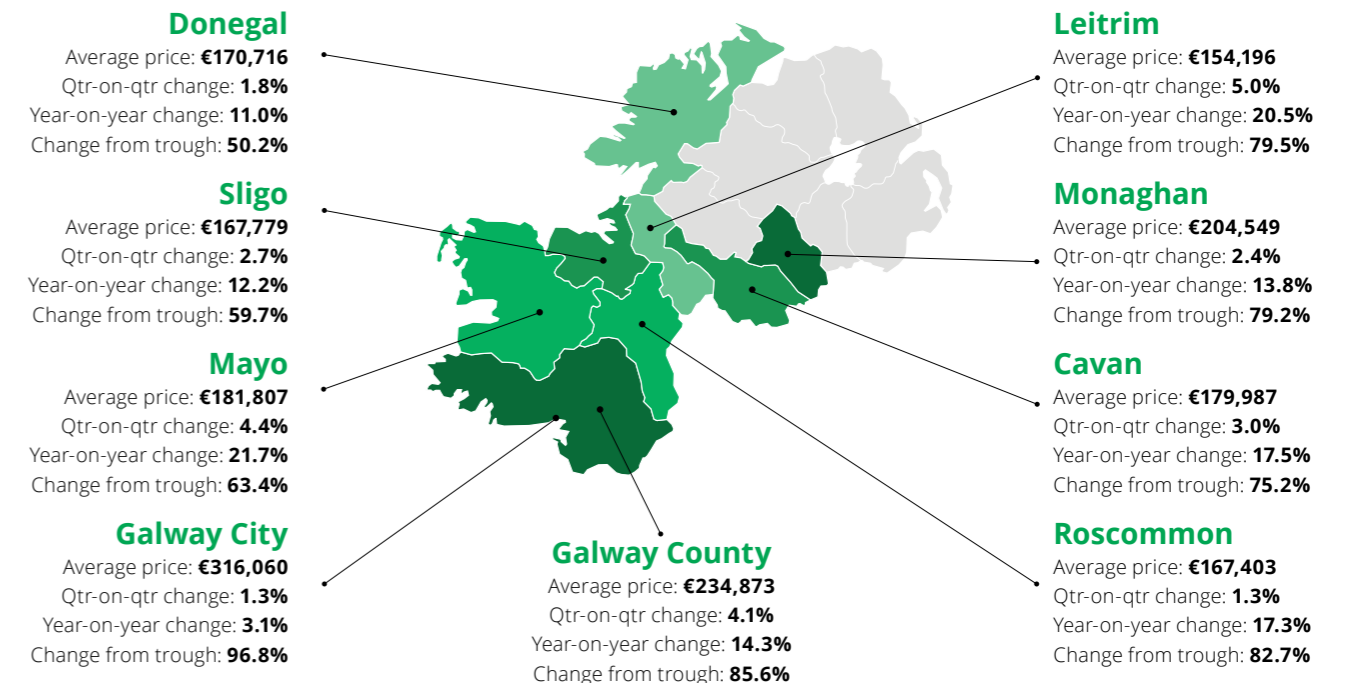
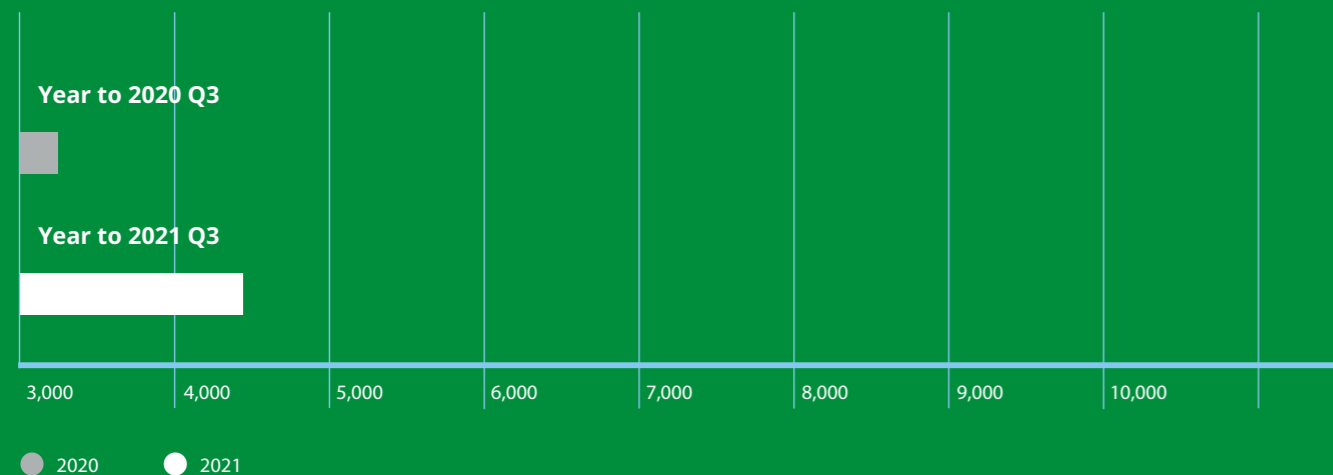
Across Connacht-Ulster, listed prices increased by an average of 3.1% between July and September - although this is smaller than the 9.6% gain in the previous quarter.



Up 15% year-on-year

The Q3 jump in prices means that prices in the region are now 15% higher than a year previously.

Number of residential property transactions



Supply down 36%

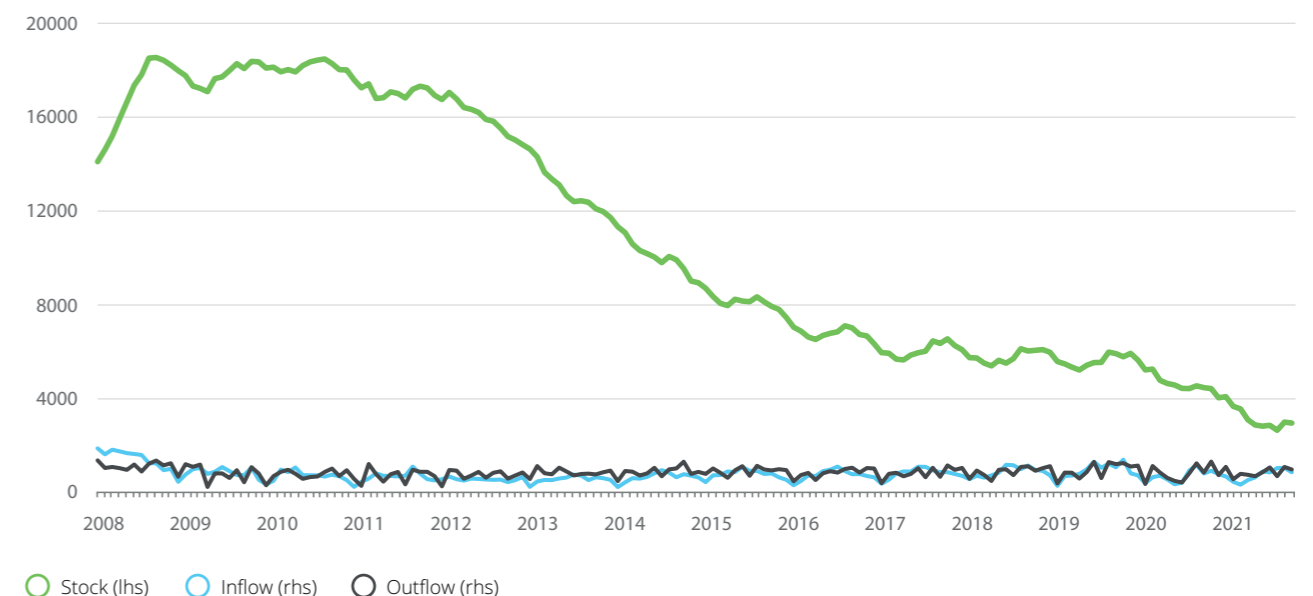
There were just over 2,800 properties on the market in Connacht-Ulster on September 1, down 36% from just over 4,450 on the same date a year ago.

37%

Transactions up 37%

Reflecting the impact of covid19 last year, there were 37% more transactions in Connacht-Ulster in the six months to July 2021 than the same period a year earlier: 4,453 compared to 3,254.

Connacht/Ulster Stock Flow Figures Q3 2021



Over the last number of years, Daft.ie has collected a vast amount of data on the Irish property market. Each year tens of thousands of properties for sale or rent are advertised on the site.

About the Report

The goal of the Daft Report is to use this information to help all actors in the property market make informed decisions about buying and selling. In addition, because it is freely available, the Daft Report can help inform the media, the general public and policymakers about the latest developments in the property market.

This is the Daft.ie House Price Report, the partner to the Daft.ie Rental Report, which will be issued next month. Together, they give house-hunters and investors more information to help them make their decisions. These twin reports mean that Daft is the only objective monitor of trends in both rental and sales markets on a quarterly basis, making the report an essential barometer for anyone with an interest in the Irish property market.

The Daft Report was first launched in 2005. It has already become the definitive barometer of the Irish rental market and is being used by the Central Bank, mortgage institutions, financial analysts and the general public alike. The Daft.ie House Price report is Ireland's longest-running house price report, combining information from the Daft.ie archives with data from Ireland's Residential Property Price Register.

Methodology and Sample Size

The statistics are based on properties advertised on Daft.ie for a given period. The regressions used are hedonic price regressions, accounting for all available and measurable attributes of properties, with a Cooks Distance filter for outliers.

The average monthly sample size for sale properties is 5,000. Indices are based on standard methods, holding the mix of characteristics constant, with the annual average of 2012 used as the base.

About Daft.ie

Daft.ie is Ireland's largest property website. The latest audited report from ABC (Sep 2011) shows monthly traffic of 130 million page impressions (pages of information received) and 1.976 million unique users per month across Daft Media's property websites (daft.ie, rent.ie, let.ie, property.ie). This makes Daft.ie the biggest property website in Ireland across all demographics.

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Coming next:

The Daft.ie Rental Report 2021 Q3

The Daft.ie Rental Report will be published in July and will include a review of the performance of Ireland's rental market, plus all the usual indices, snapshots, trends and rental yield analysis, providing analysts, tenants, landlords, students and the public with the most up-to-date information on Ireland's rental market.

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