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YOUR
FUTURE

DUBLIN
RESIDENTIAL

PROPERTY REPORT

Lisney

Q4

2019

Dublin market in numbers

PRICES



0.7% annual fall

The CSO's Residential Property Price Index for Dublin was stable for the three months to November 2019 and fell 0.7% annually.

Source: CSO

SUPPLY



4,070 second hand

There were 4,070 second-hand properties for sale in Dublin at the end of December 10.8% lower than December 2018.

Source: MyHome.ie

MARKET PROFILE



29% first-time buyers

Across Lisney's sales in Dublin in 2019, 37% of our purchasers were trading up and 29% were first-time-buyers. 16% were investors while those trading down also accounted for 16%. 2% were purchasing a second home.

Source: Lisney

MORTGAGES



11,414

Excluding top-ups and re-mortgages, there were 11,414 new mortgages drawn down nationwide in Q4 2019 and 35,560 in 2019. 10.7% more new mortgages drawn-down than in 2018.

Source: BPF

UNITS SOLD



15.8% lower

3,840 residential properties were sold in Dublin in the three months to November 2019. This was 15.8% lower than the same period of 2018.

Source: CSO

NEW CONSTRUCTION



6,945 new units

6,945 new properties were completed in Dublin in the 12 months to the end of Q3 2019. 4,577 (66%) were houses and 2,368 (34%) were apartments.

Source: CSO

In View – Top 9

Our View on Q4



1 Dartmouth Road, Ranelagh, Dublin 6
On the market guiding €2.85m

2019 was a busy year and follows on from a sluggish 2018 where there was a stand-off between buyers and sellers in terms of their respective sentiment and view of the market. Affordability had clearly become an issue in 2018. This resulted in a market correction and downward asking price adjustments, much of which occurred in late 2018 and into 2019. As prices became more aligned with affordability, potential purchasers began to engage with the market again and activity levels noticeably improved during the summer months. We expect this improvement in activity to continue into 2020 as vendors price expectations and the amount potential purchasers are willing to pay are more balanced.

2

Prices have been cooling against a backdrop of buyers constrained by Central Bank lending rules. In particular, the 3.5 loan-to-income ratio had a major impact on the Dublin market as wage growth failed to keep up with price growth in recent years. Many potential buyers struggled to participate in the market with this constraint. As price growth continued to cool in Q4, interest from potential buyers grew and activity gained momentum.

3 Based on Lisney sales in Dublin in 2019, purchasers who were trading up accounted for 37% of sales. Activity from first-time buyers was also strong and accounted for almost a third of all sales at 29%. Investor activity continued to grow, making up 16% of sales for the whole year. A similar proportion of purchasers were trading down. Those purchasing a second home made up a very small percentage of sales (2%). Looking at vendors, those selling investments were the largest group, accounting for over a quarter of transactions. Executor sales also made up 27% of sales. Vendors trading up (24%) and trading down (20%) remained active in the market. However these vendor profiles are not considered reflective of the entire Dublin market, but characteristic of the mid to upper end of the market in which Lisney operates.

4 The most recent CSO data demonstrated that the median residential property price in Dublin for the 12 months to November 2019 was €351,375 for all property types. The considerable premium for new homes continued in this period as new homes sold for approximately 23% more than existing homes. The median price for new homes was €405,000 in the period while the median price for existing homes was €328,250.

5 For the three months to November 2019, the CSO's Residential Property Price Index for Dublin remained stable. On an annual basis, prices declined 0.7%. Apartments experienced the strongest decline, falling 1.2% annually, while house prices fell 0.5%. Looking across the local authorities, there was a price decline in all Dublin areas with the exception of Fingal, which grew 3.0% annually. There was a notable price decline of 6.3% in Dun Laoghaire prices, with softer falls in South Dublin (-1.0%) and Dublin City (-0.7%). The index indicated that Dublin residential property prices remained 21.3% below their peak in February 2007.

6 At the end of December 2019, there were 4,070 second-hand properties for sale in Dublin, which was a 10.8% annual fall. A healthy level of second-hand supply in Dublin is approximately 5,000 properties at any given time (equivalent to about six months' worth of second-hand sales). Supply levels are expected to recover in the opening quarter of 2020, as vendors holding off in December place properties on the market.



Glandore, 6 Craigmores Gardens, Blackrock, Co Dublin
Sold for €710,000

7 With over 800 new properties sold in the three months to November 2019, new homes accounted for 20% of all sales in the period. This was a minor decline compared with the same period of 2018, in which 24% of all sales were new homes. Supply was the likely cause. The number of new home schemes on the market fell annually from approximately 150 to 120 in Q4 2019. The original timeline of the Help-to-Buy scheme was due to conclude at the end of 2019. In the absence of confirmation of its extension, developers were cautious to continue new development. An extension of the scheme was confirmed in Budget 2020 in October and development of new home schemes is expected to regain momentum in 2020.

8 New dwelling completions in Dublin grew by a modest 3% annually in Q3, however the composition of new supply shifted. Scheme housing completions fell by 20% annually, while apartment completions climbed by 69%

in the same period. The growing influence of the private rented sector on the market was evident from completions figures, as apartment development accounted for over a third of all completions in the year to Q3.

9 Rental growth maintained strong momentum in 2019, with Q3 average Dublin rents growing 5.6% annually to €1,689. The strongest annual rent growth was evident in Dublin 2, which grew 11.5% to €2,064. This was due to the letting of units in several new developments, which were not subject to rent increase restrictions. The average two-bed apartment in Dublin rented at €1,631, growing 4.8% annually. Rent for the average three-bed semi-detached in Dublin averaged €1,648, growing at a higher annual rate of 7.6%.



72 Brighton Square, Rathgar, Dublin 6
Sale Agreed

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