

**DUBLIN
RESIDENTIAL
REPORT**

Q1 2021

Lisney



DUBLIN RESIDENTIAL MARKET IN NUMBERS

SUMMARY

PRICES

+1.3%

THE CSO'S RESIDENTIAL PROPERTY PRICE INDEX FOR DUBLIN **GREW BY 1.3% OVERALL** (1.7% HOUSES / -0.4% APARTMENTS) IN THE THREE MONTHS TO THE END OF JANUARY. **HOUSES IN DUN LAOGHAIRE RATHDOWN AREA GREW BY 2% IN THE THREE MONTHS.**

(Source: CSO)

SUPPLY

-26%

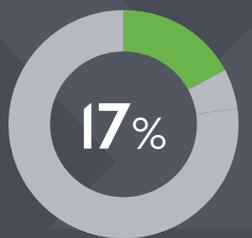
THERE WERE ABOUT 3,000 SECOND-HAND RESIDENTIAL PROPERTIES FOR SALE IN DUBLIN AT THE END OF MARCH; **26% FEWER THAN A YEAR EARLIER**

(Source: MyHome.ie)

MORTGAGE DRAWDOWNS

THE NUMBER OF MORTGAGES DRAWN DOWN NATIONALLY IN 2020 WERE

17% FEWER THAN IN 2019.



(Source: Banking & Payments Federation Ireland)

UNITS SOLD

-27%

IN THE 12 MONTHS TO THE END OF JANUARY, **27% FEWER HOMES WERE SOLD COMPARED TO A YEAR PREVIOUS.**

(Source: CSO)

NEW CONSTRUCTION

6,081

NEW HOMES COMPLETED CONSTRUCTION IN 2020, **12% FEWER THAN IN 2019.**

(Source: CSO)



**SOUTH BANK, 52 ARDAGH CRESCENT,
BLACKROCK**
SOLD - €950,000



**4 CASTLE AVENUE,
CHURCHTOWN, DUBLIN 14**
SOLD - €1,400,000



**74 UPPER LEESON STREET,
DUBLIN 4**
SOLD - €1,525,000



**NAOMH BRENDAN,
SYDENHAM VILLAS, DUNDRUM**
SOLD - €825,000



**PELLETSTOWN HOUSE, RIVER ROAD,
PELLETSTOWN MANOR, ASHTOWN, DUBLIN 15**
SOLD - €950,000



**TANGLEWOOD, SILCHESTER ROAD,
GLENAGEARY, CO. DUBLIN**
SALE AGREED

LISNEY VIEW

1 The dominant trend in the Dublin residential market in Q1 remained the lack of supply. Given the strong pent-up purchaser demand, this continued to result in upward pressure on prices with some homes achieving up to 10% more than anticipated. This was particularly the case for homes priced at up to €1m.

2 As with lockdown #1 in Q2 last year, physical viewings during the most recent lockdown #3 have been prohibited. This is unlike lockdown #2 in autumn 2020 when viewings were permitted once proof of funds was provided. As a result, we have noted a palpable level of frustration among potential buyers who are unable to freely view properties, even when unoccupied. Despite the inability to physically view properties since the 13th January, many buyers are prepared to make offers on the basis of virtual viewings. However, this is then subject to an in-person viewing if the offer is accepted (viewings are permitted with buyers if a property is sale agreed and the property is unoccupied at the time).

3 Properties which are in turnkey condition are the most sought after. In the majority of cases, such sales involve competitive bidding with bonuses often being achieved on asking prices and with properties generally becoming sale agreed within two to three weeks of being launched to the market.

4 Conversely, homes requiring extensive work are being shied away from by purchasers unless the asking price is extremely attractive. This is due to the difficulty in sourcing builders with capacity to carry out the required works in the next 12 to 18 months, as well as the associated rising cost of construction. A large proportion of these type of properties are in or going through probate. With the pandemic, probate is taking twice or three times longer than normal, which can delay completion of these sales.

5 Changing lifestyles due to COVID-19 continue to impact purchaser requirements. Properties within walking distance of the coast have experienced a substantial increase in demand with values jumping much more than in other areas. Larger gardens and home offices are also prerequisites for many purchasers, albeit in areas with good transport links. This has meant a general move away from city centre living, however, we do not believe this will be a sustained longer-term trend, and as workers and life begin to coming back to the city centre, demand for homes in more central areas will return.

6 At the upper-end of the market (above €1m), there was strong demand and activity levels (albeit constrained by supply shortages) in the opening months of the year with some properties sold off-market. While ex-pats were very active in the second half of last year, they do appear to be fewer in numbers since the start of 2021. Also at the upper end of the market, many potential buyers continue to save their additional disposable income and while they are in better financial shape than 12 months ago, the number of mortgage drawdowns in this part of the market is lower as they continue to save to be in a position to buy a home that matches their lifestyle changes.

7 There are various factors at play when it comes to mortgage approvals. Banks continue to issue loan offers, but the lack of supply means many are going unused. Additionally, in certain situations, banks are revisiting loan approvals for those whose employment is affected by COVID-19 and who have changed circumstances. Also linked to mortgage approvals are the banks' requirement for a valuation prior to funds being drawn down and given some of the very strong prices achieved, there are concerns about the lack of comparable evidence to justify values, especially where the LTV ratio is high.

8 As soon as physical viewings recommence, we are confident that greater levels of supply will come to the market, particularly in late-summer and into autumn. As more options become available to potential purchasers, there may be a levelling-off or shift in prices. As stated in Lisney's Outlook 2021 document at the beginning of the year, we believe overall prices will finish the year at a similar level to where they started the year, despite fluctuation throughout 2021.

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