

Residential Housing Market Update – Focus on the Dublin Market

May 2021

HEADLINES

Dun-Laoghaire -Rathdown

STRONGEST ANNUAL % PRICE GROWTH +3.9% YOY

2.5%

INCREASE IN DUBLIN HOUSE PRICES MARCH 2020-2021

Stock

AT A LOW

Demand

HAS INTENSIFIED ACROSS ALL CATEGORIES

Prime prices

RELATIVELY STABLE

A shortage of houses on the market, as well as increased demand, is putting upward pressure on prices.

Before the Covid-19 pandemic, the housing market was already very buoyant, driven by the strength of economic growth and full employment. Price growth however, was relatively steady, anchored by low wage inflation and the effectiveness of the Central Bank's mortgage lending rules.

Housing stock on the market at the end of Q1, was close to the low seen in 2014, as lockdown conditions distorted market activity and delayed decisions to sell property.

Demand has intensified considerably with first time buyers and those wishing to trade up to larger family homes remaining the most active buyer categories. Those looking to trade down are also expected to become more active again over the coming months. The importance of home ownership and in particular a sense of home, has become more pronounced as a result of the pandemic. This sentiment factor is expected to accelerate demand across all buyer categories and for all types of housing product for the foreseeable future.

The gap between available stock and current levels of demand is expected to continue to put upward pressure on prices over the coming months. This could be tempered by affordability towards the end of the year and by the fact that many buyers who are ready to purchase, are expected to quickly bid on product that is currently on

the market, which would ease some of the pent up demand.

However, the level of stock available remains a key concern as we enter the new post lockdown market. Our expectation is that more second hand stock will come to the market over the coming months as those considering a sale are able to make a decision to safely sell their property, allowing for more normal market conditions.

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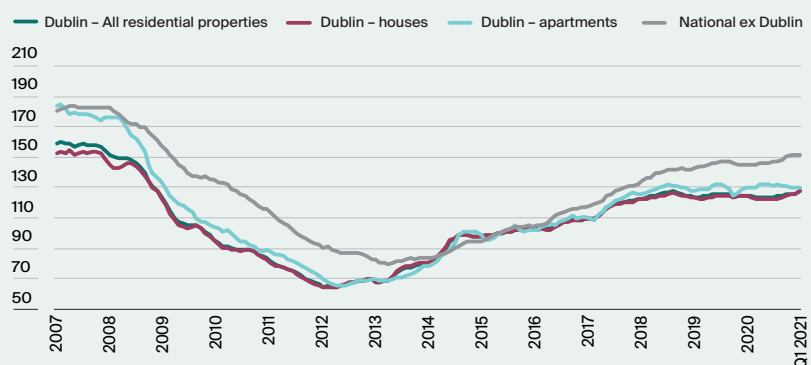
Knight Frank is the leading agent in the second hand market in South Dublin, both city and county. Our experts are available to advise on the pricing of your property and safe preparation for sale and also to advise on the best potential options to suit your next purchase.

Stock of Property on the Dublin Market at post Pandemic low...



Source: DAFT.ie

House Price Indices – Prices trend upwards as demand intensifies...



Source: CSO

Price Trends

Price increases have been the most pronounced outside of Dublin, reflecting the increased home-ownership trend, working from home options and relative affordability compared to similar housing product in the Dublin market. Excluding apartments, prices increased by 10.4% outside Dublin in the year from March 2020 to March 2021.

Dublin property prices (houses and apartments) increased by 2.5% overall between March 2020 and March 2021. Excluding apartments, prices increased by 2.8%.

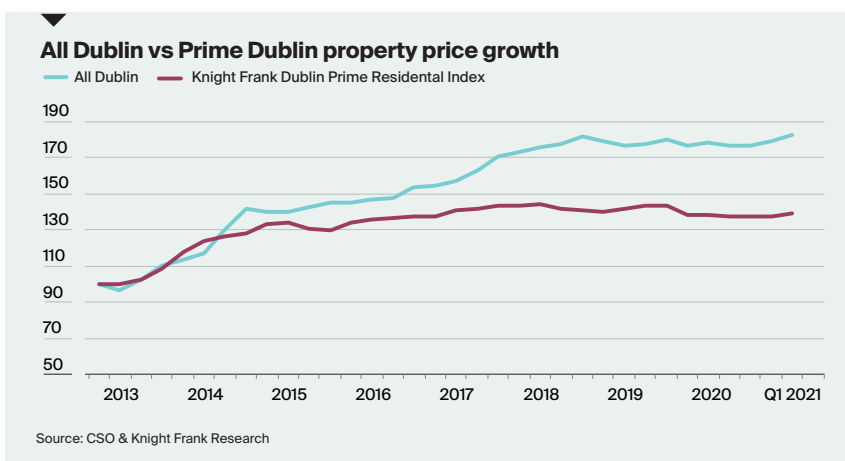
Within the Dublin market, prices in Dun Laoghaire – Rathdown increased by 3.9% over the same time period and by 3.6% in Dublin South. Houses in the city saw prices increase by 3.6%. These three areas experienced the strongest growth in the Dublin market, reflecting an increased demand for family homes in locations close to good infrastructure, transport, schools etc.

Looking more specifically at prime house prices in the Dublin’s South city, South coastal areas and South county locations, where Knight Frank residential are the most active; price increases have historically been more steady than across the wider Dublin market. This can be attributed to a number of factors, most notably, the higher price points for properties in these locations and a more limited and more clearly defined buyer profile, often with very specific requirements. The unique features of many of the properties in these locations is also a factor in terms of tracking prime prices and often there will have been a

CATEGORY OF HOUSING BY LOCATION Ranked by % change

	3 MONTHS (JAN-MARCH 2021)	ANNUAL (JAN-MARCH 2021)
Dublin – all residential properties	1.9%	2.5%
Dublin – houses	2.3%	2.8%
Dublin – apartments	-0.1%	0.7%
Dublin City – houses	3.1%	3.6%
Dún Laoghaire-Rathdown - houses	4.3%	3.9%
Fingal – houses	0.4%	-0.4%
South Dublin – houses	0.3%	3.6%
National excluding Dublin – all residential properties	1.2%	4.9%
National excluding Dublin – houses	1.1%	4.5%
National excluding Dublin – apartments	1.7%	10.4%

Source: CSO



low level of turnover for individual prime properties.

The Knight Frank Prime Dublin Residential Index tracks movements in prime property prices in these three locations. It shows that prices were flat in Q1 2020, edging slightly lower in Q2 and Q3, largely as a reaction to the lockdowns. However, prices increased marginally in Q4 and gained some momentum in Q1, showing an increase of 1%, despite the fact that the market remained in lockdown.

The expectation is that there will be an increase in demand for prime properties from domestic and overseas purchasers, looking to upscale to larger homes and also looking to get a foothold in Dublin’s prime market for current or future moves home. Prices are expected to come under continued upward pressure, albeit at a modest pace, depending on the individual property.

2021 is expected to be a challenging and exciting time for Dublin’s prime residential market.

We like questions, if you’ve got one about our research, or would like some property advice, we would love to hear from you

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