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FUTURE

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**DUBLIN  
RESIDENTIAL**

PROPERTY REPORT

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**Lisney**

Q2

2019

# Dublin market in numbers

## PRICES



# 0.6%

The CSO's Residential Property Price Index for Dublin grew by 0.2% in the three months to May 2019 and increased by 0.6% annually.

Source: CSO

## SUPPLY



# 5.5%

There were 5,270 properties for sale in Dublin at the end of June; 5.5% higher than June 2018.

Source: MyHome.ie

## MARKET PROFILE



# 34% first-time buyers

Across Lisney sales in Dublin in H1, 32% of purchasers were trading up and 34% were first-time-buyers. 16% were investors while those trading down accounted for 17%.

Source: Lisney

## MORTGAGES



# 4.2%

Excluding top-ups and re-mortgages, there were 6,673 new mortgages drawn-down nationwide in Q1 2019 and 32,394 in the year to Q1. This is 4.2% more new mortgages drawn-down than in Q1 2018.

Source: BPFi

## UNITS SOLD



# 3,140 units

3,140 residential properties were sold in Dublin in the three months to May 2019. This is 17.9% lower than the same period of the previous year.

Source: CSO

## NEW CONSTRUCTION



# 7,204 units

7,204 new properties were completed in Dublin in the 12 months to the end of Q1 2019. 5,335 (74%) were houses and 1,869 (26%) were apartments.

Source: CSO

# In View - Top 10

## Our View on Q2

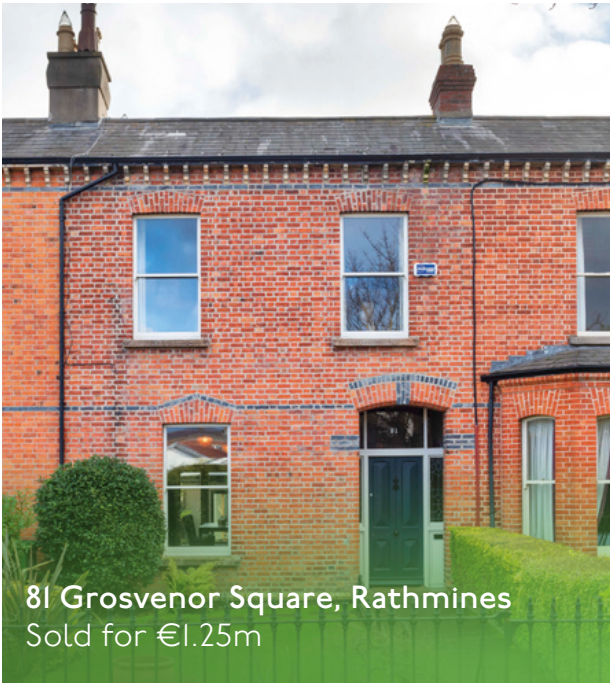


Drynan Lodge, Baily, Howth  
Sold for €1.85m

1 The mild cooling in house price inflation continued in Q2 with strong signs of stabilisation in Dublin market prices. There was also evidence of fewer sales completing. This follows several years of very strong price growth and activity levels. These recent market conditions reflect affordability concerns caused by the loan-to-income limits set by the Central Bank along with uncertainty over any potential economic fallout from Brexit.

2 For the year to May 2019, the CSO's Residential Property Price Index for Dublin grew 0.6%. Increases were strongest in apartment prices, which grew 0.8% annually, while the index for Dublin houses increased by just 0.4%. Geographically this mild growth was driven by the activity in South Dublin County Council's administrative area where the price index grew 4.0%, while values in Dublin City Council's area (-1.1%) and the Dún Laoghaire-Rathdown area (-2.6%) declined.





**81 Grosvenor Square, Rathmines**  
Sold for €1.25m

3 Over 3,100 units were sold in Dublin in the three months to May 2019. This is a decline of almost 18% compared to the same period of 2018 and a fall of 17% compared to the preceding three months.

4 The two-tier market that emerged in 2018 remains present. Properties that are sensibly priced are attracting more viewers, more offers and are selling quickly. However, properties that

are priced ahead of the market generally linger for sale until they are either taken-off the market or the asking price is reduced.

5 The supply of existing homes for sale in Dublin grew annually by 5.5% in the year to June to stand at 5,270 properties. There was a significant increase in supply noted in south Dublin. In the new homes market, the number of schemes has fallen slightly on an annual basis with approximately 110 new home schemes on the market currently.

6 Based on Lisney sales data in the first half of 2019, two-thirds of our purchasers were either trading up (32%) or were first-time-buyers (34%). It was notable that investor activity was weaker with just 16% of our purchasers buying an investment property. Single property landlords have become a less prominent feature of the market as they face greater costs pressures, in addition to uncertainty in securing vacant possession in the future. Institutional investors have been much more active in providing rental accommodation with construction of PRS schemes making a welcome addition to the rental supply in Dublin.



**St. Benedicts, Foxrock**  
Sold for €1.65m



7 Fundamentally there is strength in the residential market. It is active and purchaser demand is present. However, a property's asking price is very important. It must be pitched at correct levels to attract interest and ultimately conclude a sale. We anticipate static house price inflation for the remainder of the year.

8 The rental market remains very active and undersupplied. In spite of this, the number of rental properties advertised to let at the end of June was 3.9% greater than a year previous with 1,400 properties available. Airbnb legislation, which came into force in July, is expected to release some rental supply to the market by restricting short-term lets to 90 days or less annually. Letting a property in excess of 90 days will now require planning permission.

9 RTB data shows that upward pressure on rents remain strong. Average rents across Dublin grew 7.8% annually in Q1 to €1,643. Strongest increases were in Dublin II (10.7%) and Dublin 6 (10.2%), while the weakest increases were in Dublin 6W (2.9%) and Dublin 18 (4.5%). At the end of March 2019 the average monthly rent of a two-bed apartment in Dublin was €1,605 rising to a high of €2,169 in Dublin 2. The average three-bed semi-detached house rented at €1,576, rising to €2,921 in Dublin 4.



12 Ailesbury Wood, Ballsbridge  
Sold for €2.3m

10 Various measures included in the Residential Tenancies (Amendment) Act 2019 came into effect in June and July with others to follow. These provide greater protection for tenants with termination notice periods extended; a requirement to offer properties back to previous tenants if works have been carried out or if the property becomes available to rent again after a sale; changes to exempted properties in rent pressure zones; an extension of rent pressure zones until the end of 2021; and new prescribed rent review notice forms.



66 Bushy Park Road, Terenure  
Sold for €1.525m

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