

WE INFORM
YOUR
FUTURE

**CORK
RESIDENTIAL**
PROPERTY REPORT



Q3

2019

Cork market in numbers

PRICES



4.1% growth

The Lisney Cork Residential Value Index increased by 0.3% in Q3 2019 and by 4.6% in the year to Q3 2019.

Source: Lisney

SUPPLY



3,100 properties

3,100 properties were advertised for sale in Cork at the end of September. Falling 6.5% compared to September 2018.

Source: Daft.ie

MARKET PROFILE



29% First-Time Buyers

Of sales in the three months to August 2019, 29% of purchasers were first-time buyers. 53% of purchasers were trading up or trading down, while 18% of purchasers were investors.

Source: CSO

UNITS SOLD



1,300 units

1,300 residential units were sold in Cork in the three months to August 2019 (excluding multi-unit investments). This compares to 1,510 sales in the comparable period last year, a fall of 14.1%.

Source: CSO

NEW CONSTRUCTION



1,942 units

1,942 units were completed in Cork in the 12 months to the end of Q2 2019. 1,779 (92%) were houses and 163 (8%) were apartments.

Source: CSO

RENTAL VALUES



6.3% growth

In Q2 2019 average rents in Cork increased by 6.3% on an annual basis.

Source: RTB

In View - Top 10

Our View on Q3



1 Price growth slowed in Q3 as the Lisney Residential Value Index grew 0.3% in the quarter. Annual growth remained healthy at 4.6%. Cooling price inflation has been reported in recent months, with the adjustment becoming evident in the Cork market lately.

2 In the three months to August 2019, 1,300 properties were sold in Cork. The sales volume fell 14.1% compared to the same period of 2018, while the median sales price grew 6.1%. New homes sales have become a prominent feature of the market, growing to 16.3% of all units sold.

3 For the year to August 2019, the overall median house price in Cork stood at €220,000, increasing from just under €201,000 the previous year. Price uplift was strongest among second-hand homes which grew to a median price of €200,500 in the year to August 2019, from €190,000 in the same period of 2018. Price growth for new homes began to cool in Q3. On an annual basis new homes demonstrated more moderate growth increasing from €330,000 to €340,000.

4 At the end of September 2019 there were 3,100 second-hand properties on the market in Cork. Only 150 properties were available in Cork City, most of which were houses and just 38 apartments available. Looking at new homes, there were 49 schemes on the market, an increase from 41 schemes in Q2.

5 New dwelling completions remained strong in Cork, as indicated by the most recent CSO data. On an annual basis the total number of units completed in Cork increased by 21.6% to 1,942 units in the year to Q2 2019. Of the units constructed 1,779 (92%) were houses while 163 (8%) were apartments.



71 Woodvale Road, Beaumont - Sold at €387,500



10 Sorrenta Villas, Old Black Road Road - Sold at €336,000

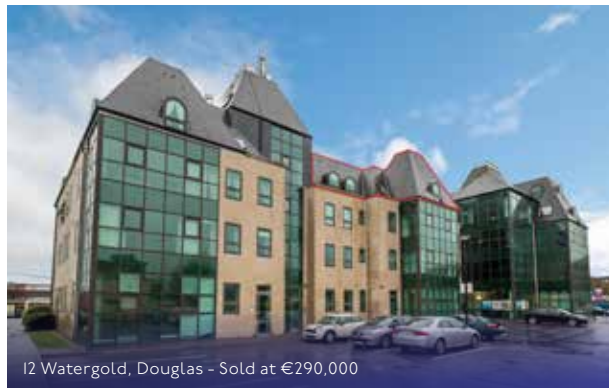
6 According to CSO data, in the three months to August 2019, movers made up the majority of purchases in the market, accounting for 53% of units sold. First-time buyers accounted for 29% of sales, growing from a share of 27% in the same period of 2018. Investors made up 18% of sales in the three-month period. Investor activity has become a less prominent feature of the Cork market. Single property landlords have begun to leave the market as they face growing pressures including greater liabilities as landlords and uncertainty in securing vacant possession in the future.

7 The most recent RTB data demonstrated 6.3% annual growth in average Cork rents to stand at €1,027 in Q2 2019. In Cork City, the average rent stood at €1,141, growing 5.2% annually. The average two-bedroom apartment in Cork rented at €1,073, growing 5.5% in the year to Q2. Rent for the average three-bed semidetached grew 7.3% to €1,031.

8 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.

10 Despite uncertain geopolitical conditions, the outlook for the rest of the year is largely positive. The retention of the Help-to-Buy scheme in its current format in Budget 2020 has provided greater certainty to FTBs and developers alike. The scheme will now continue until the end of 2021. Addressing the future of the scheme, which has been crucial in engaging FTBs in the market in recent years, is hoped to further encourage construction.

9 19 local authorities and electoral areas were designated as Rent Pressure Zones in July, with the addition of two more in late September. In Cork, the electoral areas of Fermoy, Midleton and Macroom have been designated as RPZs, where rents now cannot be increase by more than 4% per annum.



12 Watergold, Douglas - Sold at €290,000

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