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FUTURE

**DUBLIN
RESIDENTIAL**

PROPERTY REPORT

Lisney

Q3

2019

Dublin market in numbers

PRICES



0.3% annual fall

The CSO's Residential Property Price Index for Dublin grew by 1.4% in the three months to August 2019 and fell by 0.3% annually.

Source: CSO

SUPPLY



0.7%

There were 5,490 second-hand properties for sale in Dublin at the end of September; 0.7% lower than September 2018.

Source: MyHome.ie

MARKET PROFILE



30% first-time buyers

Across Lisney's sales in Dublin in the first nine months of 2019, 36% of our purchasers were trading up and 30% were first-time-buyers. 17% were investors while those trading down also accounted for 17%.

Source: Lisney

MORTGAGES



7.9%

Excluding top-ups and re-mortgages, there were 7,987 new mortgages drawn down nationwide in Q2 2019 and 33,000 in the year to Q2. This is 7.9% more new mortgages drawn-down than in the same period of 2018.

Source: BPF

UNITS SOLD



3,540 units

3,540 residential properties were sold in Dublin in the three months to August 2019. This is 21% lower than the same period of 2018.

Source: CSO

NEW CONSTRUCTION



6,964 units

6,964 new properties were completed in Dublin in the 12 months to the end of Q2 2019. 4,841 (70%) were houses and 2,123 (30%) were apartments.

Source: CSO

In View - Top 9

Our View on Q3



54 Beaumont Avenue, Churchtown, Dublin 14
Sold for €850,000

1 For the last year, the Dublin market has been readjusting with prices cooling and supply levels improving. During the traditionally quieter summer months, activity in Dublin was greater than anticipated. Buyers continued to show interest in properties that were priced appropriately with strong viewing numbers. Despite growing numbers of buyers viewing properties, buyer engagement has been restrained. Reports of cooling prices in recent months in addition to ongoing economic uncertainty are likely to have led to more cautious buyers who are keen to time their purchases well.

2 At the upper end of the market, caution in the run up to Brexit has been profound and noticeable. Buyers at this end of the market often derive their income internationally and are perhaps taking a broader economic view before making the decision to purchase. Despite uncertainty surrounding Brexit and the knock-on impact on sentiment, the fundamentals underpinning the residential market are firm. Lisney agents advise that it may be a prudent time for some property owners to hold their nerve and wait for Brexit uncertainty to pass. Equally, the impact of uncertainty on the market may produce the optimal conditions for a buyer to act.

3 Price sensitivity has been a pivotal feature of the Dublin residential market. A property put up for sale with even a slightly inflated asking price remains on the market. Equally, the condition of homes for sale had an impact on pricing. Construction and refurbishment costs have skyrocketed, leaving homes that are in a less than A-rated condition remain for sale. Second-hand homes requiring updating have been slower to sell and are being sold at a discount as potential buyers factor in high refurbishment costs from the outset. The increase of supply of new homes which require no modernisation or refurbishment and are A-rated is causing the second-hand market in Dublin to struggle to compete. The most recent median price figures from the CSO indicates that new homes grew 3.5% in the year to August 2019, while existing homes grew just 1.9%.

4 Based on Lisney sales for the first nine months of the year, purchasers looking to trade up made up 36% of sales. First time buyers were also active, making up 30% of sales. Investors and those trading down accounted for 17% of sales each. Focusing on vendors, investors selling their property made up 17% of sales. Single property landlords continue to leave the market as they face growing pressures including greater costs, and uncertainty in securing vacant possession in the future.

5 For the year to August 2019, the CSO's Residential Property Price Index for Dublin fell 0.3%. This decline was strongest for houses, which fell by 0.6%. Meanwhile apartment prices in Dublin grew by 0.7%. Looking at the index across Dublin areas, there was a substantial decline in Dun Laoghaire-Rathdown, where the price index fell by 6.1% in the year to August 2019. In Fingal and South Dublin, house prices grew by 2.3% and 0.9% respectively, while there was a small decline of 0.8% in Dublin City. It should be noted that July 2019 was the first annual fall in the index since October 2012.

6 Central Bank rules governing lending limits have continued to have an impact by anchoring house prices to affordability. Some commentators on the market maintain that though buyers are limited by these restrictions, the overall influence has been positive and has ensured a stable foundation underpinning the strength of the residential market. While affordability is one of the greater pressures facing the market, the lending rules have had the desired effect in slowing growth.



3 Janeville, Tivoli Road, Dun Laoghaire
Sold for €1,000,000

7 Overall supply remains healthy in Dublin. There are currently almost 5,500 second-hand properties available for sale, indicating a minimal second-hand property supply change from the same period of 2018. However, the number of new homes schemes on the market continue to rise and as such, overall supply levels are growing and edging closer to demand. In spite of this, supply still has some way to go to create greater stability in the market.

8 While purchase prices in the residential market have been cooling, growth in rental prices remains high. Growing 6.5% in the year according to the RTB, the average Dublin rent in Q2 stood at €1,659. The greatest annual rent growth was in Dublin 5 where rent grew 9.8% to €1,591. The highest rents across Dublin postcodes are in Dublin 4 at €2,093 and Dublin 2 at €1,996. At the end of September, a two-bed apartment in Dublin rented at €1,621 monthly, demonstrating annual growth of 6.9%. The average three-bed semi-detached house grew 8.0% to €1,601 per month.

9 Undersupply and growing rental prices remain at the core of the Dublin rental market. On an annual basis, supply of rental properties grew by 6.1% in September 2019. Airbnb legislation which came into force in July is expected to have had some impact on supply in the rental market. Short-term lets are restricted to 90 days or less annually and lettings in excess of this require planning permission.



5 Greenfield Crescent, Donnybrook, Dublin 4
On the market asking €2,750,000

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