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YOUR
FUTURE

**CORK
RESIDENTIAL**
PROPERTY REPORT



Q4

2019

Cork market in numbers

PRICES



3.0%

 growth

The Lisney Cork Residential Value Index increased by 0.3% in Q4 2019 and by 3.0% in the year to Q4 2019.

Source: Lisney

SUPPLY



2,520

 properties

2,520 properties were advertised for sale in Cork at the end of December, 14.2% fewer compared to December 2018.

Source: Daft.ie

MARKET PROFILE



29%

 First-Time Buyers

Of sales in the three months to November 2019, 29% of purchasers were first-time buyers. 54% of purchasers were trading up or trading down, while 17% of purchasers were investors.

Source: CSO

UNITS SOLD



1,400

 units

1,400 residential properties were sold in Cork in the three months to November 2019 (excluding multi-unit investments). This compared to 1,600 sales in the comparable period last year, a fall of 12.5%.

Source: CSO

NEW CONSTRUCTION



1,935

 units

1,935 new units were completed in Cork in the 12 months to the end of Q3 2019. 1,801 (93%) were houses and 135 (7%) were apartments.

Source: CSO

RENTAL VALUES



5.3%

 growth

In Q3 2019 average rents in Cork increased by 5.3% on an annual basis to €1,060.

Source: RTB

In View - Top 10

Our View on Q4



- 1 Activity remained healthy in the Cork residential market with both new and existing home sales performing well. Despite the uncertainty surrounding Brexit, the mid to upper end of the Cork market continued to perform strongly with several large properties transacting. While Q4 was active in terms of viewings and sales concluding before Christmas, fewer properties were brought to the market for sale. Supply is expected to regain momentum in Q1 2020.
- 2 First-time buyers remain particularly active in the second-hand market. They are interested in properties priced under €450,000. This is in line with the 3.5 times income multiplier established by the Central Bank and reflects average salaries in Cork. Bidding is most active on properties that have sensible asking prices, and this is expected to continue in 2020. Buyers became more focused on quality of life and easy access to city centre amenities over 2019. This renewed interest in older and more traditional residential areas close to the city centre.



42 The Avenue, Garrane Dara, Wilson - Sold for €270,000



3 Hillview Villas, St Luke's - Sold for €316,000

- 3 The Lisney Cork Residential Value Index increased by 3.0% in 2019. The pace of quarterly growth slowed since the mid-year and in Q4 the index grew 0.3%. In Q4 2018, the index grew at a quarterly rate of 1.9%, indicating a slowdown in price inflation.
- 4 In the three months to November 2019, 1,400 properties were sold in Cork. The volume of sales fell 12.5% when compared to the same period of 2018, while the median sales prices grew 7.0%, according to the CSO. First-time buyers made up a substantial proportion of sales, accounting for 29% of the total volume of sales. Investor activity in the market was down slightly to 17%. Movers continued to dominate purchasing activity and accounted for more than half of all sales (54%).
- 5 CSO data also illustrates that the overall median house price in Cork for the year to November was €225,125. The premium for new homes was significant, with the median price over the last 12 months standing at €340,000, while second-hand homes sold at a median of €205,000.
- 6 At the end of December 2019 there were 2,520 second-hand properties on the market for sale in Cork. Only 113 properties were located in Cork City, accounting for less than 5% of the stock of second-hand properties available. 6% of properties on the market in Cork were apartments, while the vast majority were houses. Three-bed houses were the most common available property type.
- 7 54 new homes schemes were on the market in Cork at the end of Q4 2019. This was in line with the 53 schemes available a year previous. Uncertainty surrounding the extension of the Help-to-Buy scheme had a notable impact on the market later in 2019. Fewer new homes schemes came to the market as developers remained cautious about the future of Help-to-Buy incentives. An extension of the scheme was confirmed in Budget 2020 in October and development of new home schemes is expected to regain strength in 2020.



Vermar, Woodview, Well Road, Douglas - Sold for €475,000

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The momentum in new dwelling completions continues. CSO data shows that 1,935 units were completed in Cork in the year to Q3 2019. This compares to 1,700 in the same period of 2018. Of the units constructed 1,801 (93%) were houses, while 135 (7%) were apartments.

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Four new Rent Pressure Zones were established in Q4 2019. The Local Electoral Area of Cobh was designated a RPZ. This follows the RPZ designation of Fermoy, Midleton and Macroom in Q3. Rents cannot be increased by more than 4% per

annum in these areas. Cork City has been one of the longest standing zones and the gradual decline in growth rates in recent quarters indicates that RPZ legislation has dampened rental growth somewhat.

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RTB data showed 5.3% annual growth in average Cork rents, to stand at €1,060 in Q3 2019. In Cork City, the average rent stood at €1,186 and grew 4.0% annually. Annual rent growth was notable in Midleton (11.3%) and Mallow (10.7%). Rent for the average two-bedroom apartment in Cork grew 4.7% in the year to €1,089. The average three-bed semi-detached rented at €1,062, growing 8.1%

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