

**DUBLIN
RESIDENTIAL
REPORT**

Q3 2020



DUBLIN RESIDENTIAL MARKET IN NUMBERS

PRICES

-1.5%

THE CSO'S RESIDENTIAL PROPERTY PRICE INDEX FOR DUBLIN **REMAINED STATIC** IN THE THREE MONTHS TO END-AUGUST 2020 BUT DECLINED BY **1.5% ON AN ANNUAL BASIS**.

(Source: CSO Residential Property Price Index)

SUPPLY

4,210

THERE WERE 4,210 SECOND-HAND PROPERTIES FOR SALE IN DUBLIN AT THE END OF SEPTEMBER 2020;

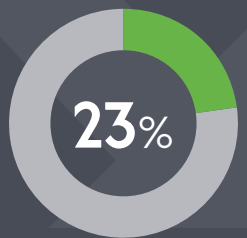
23% LOWER THAN SEPTEMBER 2019

(Source: MyHome.ie)

MORTGAGE DRAWDOWNS

THE NUMBER OF MORTGAGES DRAWN OUT NATIONALLY IN THE FIRST NINE MONTHS OF 2020 WERE

23% FEWER THAN THE SAME PERIOD OF 2019



(Source: Banking & Payments Federation Ireland)

UNITS SOLD

-35%

6,700 RESIDENTIAL PROPERTIES WERE SOLD IN DUBLIN IN THE FIRST EIGHT MONTHS OF 2020

35% LOWER

THAN THE COMPARABLE PERIOD IN 2019.

(Source: CSO Residential Property Price Index)

NEW CONSTRUCTION

2,500

NEW PROPERTIES WERE COMPLETED IN DUBLIN IN THE FIRST HALF OF 2020,

ALMOST 16% FEWER THAN THE FIRST HALF OF 2019

(Source: CSO New Dwelling Completions)

SUMMARY



WESTBURY, WILLOW BANK, MONKSTOWN,
CO DUBLIN, A96 X9R5

LISNEY VIEW

The recently introduced Level 5 restrictions are not as disruptive to the Dublin residential market as was the case with the first lockdown in Spring. This time, and in line with Government guidance, properties remain open for individual physical viewings with significant safety procedures in place. The market has proved remarkably resilient in the face of COVID-19 with strong demand underpinning activity over the course of the year. Perhaps surprisingly, the market to-date appears to be largely unaffected by the global pandemic, however a lack of supply is equally a factor.

Dublin residential prices have been relatively static so far in 2020. According to the CSO's index, prices actually marginally grew to the end of August when compared to the end of 2019 (by 0.2%). The key reason for this is a lack of supply.

The number of residential properties available to buy remains low. Even the traditional Autumn selling season (starting in early September) did not bring much additional stock to the second-hand market. Part of the reason for this is because some potential vendors are unwilling to put their properties on the market during the pandemic. This is either because they do not have confidence in the market or understandably they have a concern about purchasers entering their homes at this time.

Although it was not possible to gain physical access to properties during the first lockdown in March, April and May, all of our offices reported strong levels of enquiries for stock that was on the market and virtual viewings were well sought after. There is no doubt that in a year where people have all spent more time at home than ever before, many are reassessing home requirements. Properties in turnkey condition are the most sought after and in the majority of cases, sales of such properties involved competitive bidding with bonuses being achieved on asking prices. Conversely, homes that are compromised in any way, require significant upgrade works or those that are quoting optimistic asking prices, are suffering from lack of interest.

Perhaps in a swing towards lifestyle rather than convenient proximity to work, we have noted very strong demand for costal properties, and these are exceeding expectations in terms of price. Additionally, there has been a noticeable increase in demand from buyers moving home from overseas, especially from London. This is likely to be a consequence of the pandemic. Many based abroad are suddenly feeling very disconnected from family or are realising that the support network around them overseas is not as strong as it would be at home. Certainly, such buyers are citing 'moving to be closer to family' as one of the key reasons for their search. Additionally, the ability for many to be far more flexible in terms of working from home, at least on a part-time basis, has opened up opportunities for people to re-consider where they live.

Similarly, there is significant demand for more traditional semi-detached and detached houses. Buyers are citing the requirement for more living space as a direct consequence of working from home. This is a trend that will continue as agile forms of working evolve in the medium-term (even once the pandemic crisis eases). Interestingly, as a sector the apartment market is less robust than 12 months ago this is perhaps a consequence of the severe impact this crisis has had on Dublin city as many office blocks lie unoccupied and stores and leisure outlets closed. The apartments most affected currently are city centre and docklands schemes. It is easy to be disheartened at present by the lack of life in the city centre. However this will undoubtedly resume in time and so we believe this apparent lack of demand for city centre apartments will be relatively short lived and perhaps provides opportunities for astute buyers to purchase when demand is not as strong as it ordinarily would be. This could be particularly the case for investors with cash to spend; interest rates are low and cash on deposit now comes at a cost.

The upper end of the market, homes priced at over €1m, is generally more difficult than the lower to mid markets. In spite of this, higher value homes have proved surprisingly resilient, again with buyers placing emphasis on quality of life and the value of space (both internally and externally). Demand has been supplemented by expats, particularly those wishing to relocate from London. A number of high value properties have traded off-market over the last number of months, showing strength at this end of the market.

Linked to current demand levels are mortgage approvals. Those with approvals from earlier in the year are eager to progress purchases before their approval expires. This is very much the case for those with exemptions on either deposit or income levels as they may not get offered another exemption when they reapply. There is anecdotal evidence that banks are reducing loan offer amounts on renewal, especially for those with EWSS / TWSS payments on their pay slips. This may impact values into 2021.



HERMITAGE, WESTMINSTER ROAD,
FOXROCK, DUBLIN 18



14 EATON SQUARE,
MONKSTOWN, CO. DUBLIN



9 ROSTREVOR ROAD, RATHGAR,
DUBLIN 6

OUTLOOK

1

The outlook for 2021 is very difficult to predict. On the positive side, the low interest rate environment will continue and some external factors appear to be less risky than a few months ago; namely Joe Biden and Kamala Harris as apparent winners (although not officially certified at the time of writing) of the US Presidential election, in addition to some progress on Brexit and successful trials of a COVID-19 vaccine.

2

COVID-19 has certainly re-shaped people's priorities and this is directly impacting on the residential property market in terms of requirements. Accepting that it is likely to be the middle of 2021 before we see the true economic impact of this pandemic, we believe that underlying purchaser demand will remain strong but they will continue to be price sensitive.

3

Supply will certainly increase into 2021. However as we emerge from this crisis, we are likely to see greater economic sentiment, which we believe will underpin prices.

4

Dublin is, and will remain, a very attractive city in which to live and to work. In a world where it is increasingly possible to choose where you can do both, we believe Dublin will remain high on the list of sought after locations to live.

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