



IRISH RESIDENTIAL MARKET REVIEW

| SPRING 2021

INTRODUCTION

The national lockdown weighed on the Irish housing market in the opening months of 2021. The reintroduction of stricter public health guidelines at the beginning of the year, particularly the shutdown of much of the construction sector and the prohibiting of property viewings, had several notable repercussions.

SEVERE DETERIORATION IN HOUSING STOCK FOR SALE

The most significant of which was on the stock of available housing for sale. In January, the number of second-hand homes for sale was at its lowest levels in over a decade with supply having depleted drastically over the course of last year. This situation deteriorated further after tighter restrictions were reimposed as potential vendors were discouraged from putting their homes up for sale. This temporarily limited the market's ability to replenish supply.

UPLIFT IN PRICE INFLATION

This exacerbation in the supply deficit stoked a rise in house price inflation, particularly in comparison to the more subdued levels of price growth observed in the recent past. The average value of second-hand homes in Ireland increased by 1.5% in the opening three months of 2021 and by 2.5% over the past twelve months.

REDUCED NEW HOMES OUTPUT FOR 2021

There was an enormous drop off in the number of residential units commenced at the start of this year due to the public health restrictions. This will likely have a substantial knock-on effect on the total number of houses built, with current projections estimating that only 16,000 new homes will be built this year.

For the full version of the report please contact
researchpublications@sherryfitz.ie

**Sherry
FitzGerald**

For more details or to receive the full version of the report, please email: researchpublications@sherryfitz.ie

CONTACT DETAILS

AUTHORS

Marian Finnegan

**Managing Director,
Residential & Advisory**

**+353 (0) 1 237 6341
marian.finnegan@sherryfitz.ie**

Siobhán Corcoran

**Senior Economist,
Associate Director**

**+353 (0) 1 237 6317
siobhan.corcoran@sherryfitz.ie**

Eoin Lynch

**Economist,
Researcher**

**+353 (0) 1 237 6474
eoin.lynch@sherryfitz.ie**

© 2021

CONFIDENTIALITY CLAUSE

This information is to be regarded as confidential to the party to whom it is addressed and is intended for the use of that party only. Consequently and in accordance with current practice, no responsibility is accepted to any third party in respect of the whole or any part of its contents. Before any part of it is reproduced, or referred to, in any document, circular or statement, our written approval as to the form and context of such publication must be obtained.