



IRISH RESIDENTIAL MARKET

| REVIEW 2019, OUTLOOK 2020



INTRODUCTION

In review, there was little change in the overall footing of the Irish residential market in 2019, with the market's performance in the year largely stable.

PRICE PERFORMANCE

Generally, it was a flat pricing environment, whereby prices nationally rose by just 0.2%, while in Dublin a small reduction was recorded. The low levels of growth in the year were primarily a result of the macroprudential rules becoming increasingly binding. Poorer market sentiment in the year also served as a drag on prices, as Brexit concerns unnerved buyers.

TRANSACTION ACTIVITY

There was only a moderate improvement in transaction activity in the year considering the current strength of the economy. Sales improved by 4% over the first nine months of the year. Notably, the year did see the worrying emergence of a slowdown in new homes closings, with the latest data for quarter three indicating a continuation of this.

RENTAL MARKET

Unfortunately, there was little respite in 2019 for the lettings market. Elevated rental increases remained ubiquitous and the pace at which small private landlords entered the market continued to be outstripped by the rate in which they exited.

CONSTRUCTION ACTIVITY

There was continued improvement in the construction sector, with the volume of units delivered, commenced and planning permissions granted all on course to exceed their 2018 volumes. However, even with this increase in activity, output is still far below what is required, with the construction shortfall for 2019 alone estimated to be in the region of 12,500 to 18,500 units.

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