

Irish Residential Market

Affordability in Focus

The housing crisis has remained a central issue in Irish political and social discourse for many years. The prolonged imbalance between housing demand and supply has persisted for over a decade, resulting in a substantial deficit and contributing to an accelerated pace of house price and rental inflation.

In addition, the elevated interest rate environment experienced from 2022 to 2024 has further impacted affordability, particularly for first-time buyers, a fundamental segment of the residential market.

Since the summer of 2024, key interest rates have been declining, with the main refinancing rate currently sitting at 2.15%. Consequently, mortgage rates provided by financial institutions in Ireland have started to decrease.

This report will focus on the affordability of new homes in Ireland and analyse the impact of reduced mortgage rates that have become available in 2025. The report also includes commentary on rental affordability in Ireland and a deep dive into mortgage market trends.





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