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For immediate release

## **Apartments Lead the Way in New Price Trend - IPAV Latest Residential Property Price Barometer**

The latest Residential Property Price Barometer by IPAV, the Institute of Professional Auctioneers & Valuers, launched today (Sunday) and recording prices actually achieved by estate agents in the first half of 2024 has revealed continuing price increases with those for apartments leading the way for the first time.

The four highest increases in the entire Barometer in the first six months of 2024 over the previous six months were in respect of apartments: Westmeath was up 14.44%; Offaly 13%; Donegal 12.69% and Kilkenny 12.33%.

Prices have been on an upward trajectory since the third quarter of 2023 with overall prices for two-bedroom apartments and three and four-bedroom houses in the first six months of 2024 up over 5% on those of the latter half of 2023 and over 8% in the year.

Apartments experienced higher levels of increases than houses, even though coming from a low base, and this is nationwide with the exception of Dublin.

Pat Davitt IPAV's Chief Executive said with our growing population, now estimated at 5.38 million, rising by 98,700 in the year to April 2024 according to the latest CSO figures published in August, and a severe and pent-up lack of supply of homes, prices have continued to edge higher.

"It's hardly surprising that the issue of the supply of homes and affordability is shaping up to be the number one issue in the country as we head for the forthcoming general election," he said.

And he said the scarcity of both new and second-hand homes is a key factor driving today's figures. "More affordable prices, especially for apartments in rural Ireland, have not been taken full advantage of previously. Prices are still quite low and people are beginning to realise there is value there."

A recent study by Savills found growth in the Irish population between 2015 and 2023 exceeded the delivery of new homes by a ratio of nearly four to one, with Ireland being an outlier in terms of the severity of the housing supply issue. Ireland's ratio was 80% worse than that of the UK.

Mr Davitt said institutional/commercial investors are beginning to move outside of the Greater Dublin Area seeking properties that can command market rents, as opposed to those with capped rents.

“This is creating more competition in the marketplace with the investor winning in bidding wars as they can place these properties in the rental market. We have seen evidence of this in the most recent Daft.ie report. It presents another obstacle for the first time buyer attempting to acquire a home.”

He said increasingly more people realise that paying a mortgage is cheaper, often substantially so, than paying rent and provides greater long-term security.

“And there is the issue of people realising that property prices are showing no signs of dropping, as they did during the financial crash. The dynamics are very different.”

Over the first six months of 2024 the scarcity of housing is exacerbating challenges for both buyers and sellers. Many potential sellers are hesitant to put their properties on the market due to the difficulty in securing an alternative home.

The lack of new homes has led to 67% of first-time buyers purchasing second-hand properties in 2023 and many more all over Ireland buying apartments as they are the cheapest and most affordable.

“The Help-to-Buy and the First Home schemes are very successful,” Mr Davitt said. “However they do not extend to second-hand home purchases, a gap that urgently needs to be addressed.”

The Housing Commission, which reported in May, recommended the setting up of a time limited Housing Delivery Oversight Executive in legislation as a decision-making body responsible for coordinating the delivery of housing as the solution to the crisis.

“House price rises of the magnitude we’re seeing are not sustainable,” Mr Davitt said. “We need more stability in the market. We need a whole of Government approach - for individuals and families, for the health of our economy into the future and for the cohesiveness of our society.”

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