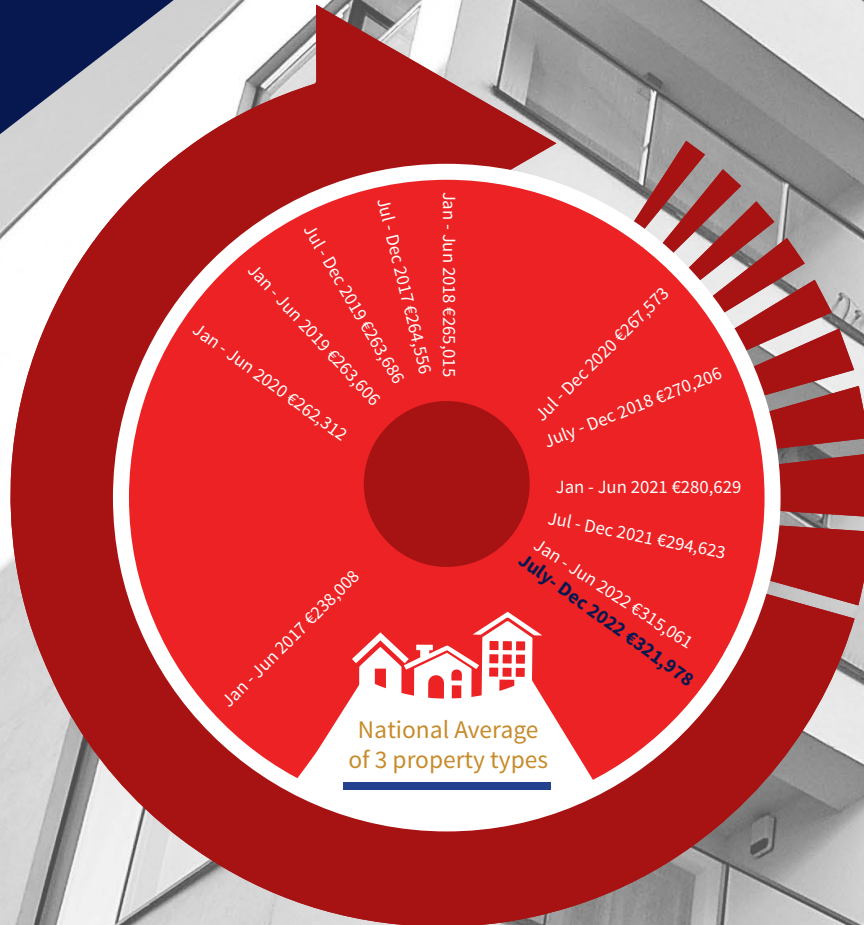




Institute of Professional Auctioneers & Valuers

# IPAV Residential Property Price Barometer

## Results for July - December 2022



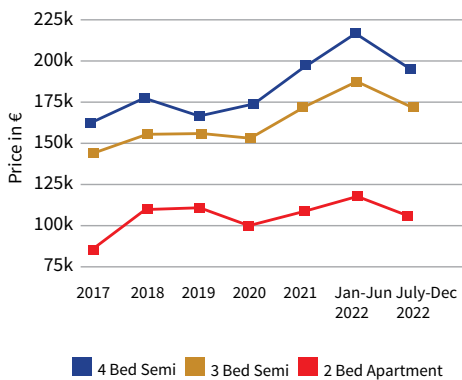
The Voice of Auctioneers & Valuers in Ireland

## Demand Likely to Keep Prices Elevated

by Pat Davitt IPAV Chief Executive



While a gradual slowing in the level of price increases in the second half of 2022 over those achieved in the first half of the year is the predominant figure emerging from IPAV's latest Residential Property Price Barometer, a 2.44% increase overall by comparison with a 6.35% figure for the previous six months. As ever there are nuances within, including a notable drop in Donegal, clearly attributable to the mica crisis.



Property Price Fluctuation by Year in Donegal

More granular data captures changing consumer sentiment. In the previous report, the May/June period saw a pulling back of what was looking like a 10% overall increase for H1 2022 to 6.35%.

The European Central Bank began increasing interest rates mid-year in July, something that was flagged for a number of weeks prior to that. The continuation of that policy certainly brought something of a dampening sentiment to the latter half of 2022 which this report demonstrates.

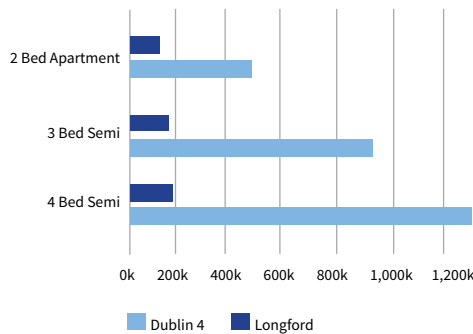
However, despite the fact that interest rates are continuing to increase, with predictions of a yet further increase in March, and the fact that some of the very best long-term fixed interest rates are being pulled from the market by lenders, the level of demand is keeping prices elevated, and in my view, will continue to do so in the year ahead.

That consumers concluded thus in the latter period of the year is evident in figures for the month of December with agents reporting a new resilience in the market which could mean we see increases in the order of 2% to 3% in the first six months of 2023.

The ghost of the last property and financial crash continues to pervade buyer considerations with many remaining cautious around prices, worrying about potential exposure to negative changes in property values. That said about 40% of buyers are 'cash' purchasing, meaning they are expending savings of some sort with no requirement for mortgage finance. This is one of the most notable changes in the market.

As yet unpublished research from the Housing Commission has indicated that housing demand could be between 42,000 and 62,000 new homes every year up to 2050.

That most certainly means, as a country, we will have to do things differently than heretofore if we are going to succeed in reversing our declining home ownership figures, prevent enforced emigration and poverty in old age.



Comparison of property prices between Dublin 4 and Longford in Jul-Dec 2022

One of the issues we will have to embrace is forty and fifty-year duration mortgages. While not suitable for everyone such mortgages can deliver better value and give greater security than renting for life. It means one's mortgage can be more akin to that of a utility and even if it's not paid back during a mortgagee's lifetime the mortgage protection policy would pick up the final payments.

Longer term mortgages can enable younger borrowers to still live their lives with much smaller ongoing repayments. And heading into retirement, while they still would have a small mortgage repayment, at least they would have a home, far preferable to renting into perpetuity.

Across the following pages you will see the county-by-county breakdown of prices achieved by auctioneers for three and four-bedroom semi-detached homes and two-bedroom apartments, along with a full analysis of the figures.

As ever I want to thank IPAV members who have contributed to this market leading study.

## Most markets continue to see house price increases, but a few saw price dips for two and four bedroom dwellings

By Donal Buckley



Most of the 41 markets surveyed in the latest House Price Barometer from the Institute of Professional Auctioneers & Valuers continued to see price growth with average overall prices rising by 2.44pc during the second half of 2022 compared with the first six months of last year. These figures are based on sales recorded in the Property Price Register.

However a few markets saw prices dip in the second half of the year as the prospect of rising interest rates and job losses in the tech sector saw some home buyers adopting a cautious approach. At the same time sellers were taking advantage of the recent strong run of price increases to bank profits and consequently there was a supply/demand imbalance in some markets where prices dipped ever so slightly. This was more notable in the four-bedroom semi-detached house sector, where nine markets recorded price slippages, and in the two-bedroom apartment market where seven saw prices dip.

In contrast in the three-bedroom semi-detached segment only two markets suffered declines.

Most of the Dublin markets continued to score increases and some of these were quite strong. For instance four-bedroom semis in Dublin 1 rose 10pc. Those house types in south county Dublin, which includes Dun Laoghaire, Killiney and Dalkey, rose 7.77pc, while those in North County Dublin with its coastal locations of Malahide, Portmarnock, Skerries and Portrane, rose 6.35pc.

Another feature of the survey shows that stronger price trends in some Dublin northside areas pushed them up the price league table while sluggish price trends in a few southside Dublin areas saw those areas slip down the league.

One of the softer Dublin markets was Dublin 4 which includes Ballsbridge, Sandymount and Donnybrook, where three-bedroom semis dropped 2.31pc while two-bedroom apartments and four-bedroom semis were unchanged. But then Dublin 4's residential market has been the strongest in the country for decades and all three house types in the area continue to prove the most expensive and top the price league tables.

North County Dublin also fared strongly in the two-bedroom apartment market with a 6.47pc increase to €356,667 proving the strongest growth in apartment prices in the country. But three Dublin markets saw declines in the two-bedroom apartment sectors: Dublin 2, fell 2.27pc; Dublin 18 slipped 1.18pc and Dublin 15 dipped 1.12pc.

Increased supply may be contributing to these particular market dips with newly built complexes adding to supply in the two suburban areas while landlord departures may have contributed to supply in Dublin 2 which includes south docklands.

### Sharpest falls in the country

Particular local factors also played a key part in the county which suffered the sharpest decline. Donegal IPAV members reported that the second half of 2022 saw sales of those houses with Mica problems recorded in the Property Price Register for the first time and their research has shown that some of those houses suffered price drops of as much as 50pc. In contrast unaffected houses held their price levels.

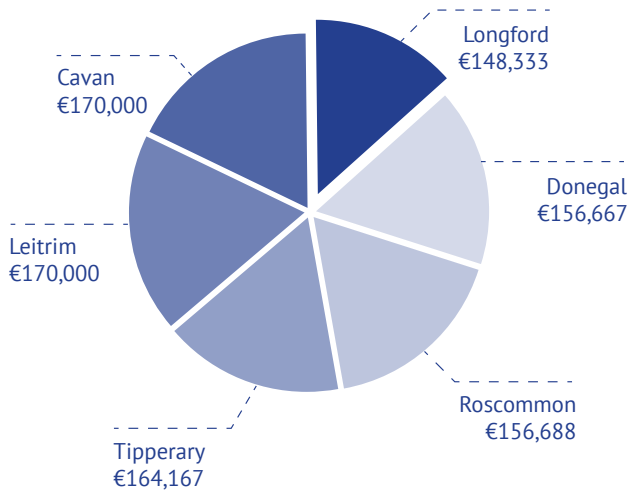
Consequently when prices from all Donegal houses sales were averaged out, Donegal saw prices fall by around 10pc on average across all three sectors thus reversing increases of around 4pc in each of the sectors in the first half of the year.

Another result is that Donegal's three and four-bedroom semis have fallen down the ranks to become the second cheapest in the country at averages of €171,667 and €193,334 respectively.

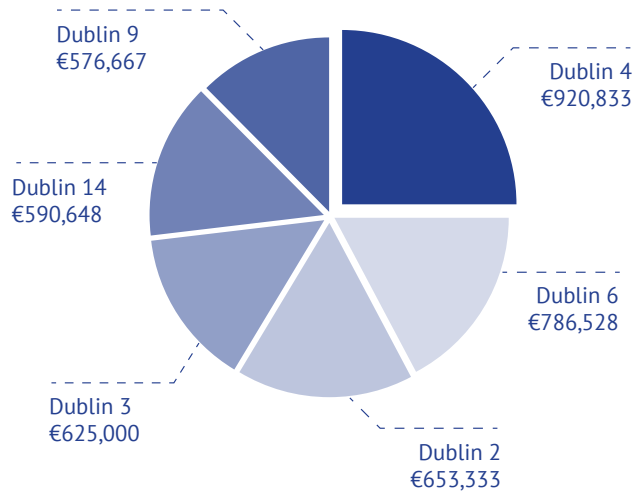
## Top Six Least and Most Expensive Locations

Results for Q3 and Q4 2022

Least Expensive



Most Expensive



*These figures are an average across the three property types – three and four-bedroom semi-detached houses and 2-bedroom apartments.*

These are second only to those in Longford where, despite four-bedroom houses prices rising 5.56pc, their €190,000 average price is still the cheapest in the country for four-bedroom semis. Indeed Longford recorded the second strongest growth for three bedroom semis during the six months – up 6.25pc to €170,000.

Another consequence of Donegal's declines was that Roscommon moved up the house price league to become third cheapest for three and four-bedroom semis, thanks also to its three-bedroom semis rising 3.96pc to €174,125 and partly because its four-bedroom semis dipped by only 0.79pc to €197,188.

### Three-bedroom semis

In the three-bedroom semi-detached sector Wicklow showed the strongest rate of price rise of 7.33pc to an average of €410,000 and local IPAV agents attribute this to the strong demand for houses in the Greystones area which recorded above average price increases.

It was closely followed by two counties, Mayo and Longford, both of which were playing catch-up with 6.25pc price rises to €198,334 and €170,000 respectively. Nevertheless Longford's spurt was insufficient to move the Midlands county off the bottom of the table where it still offers the cheapest three-bed semis in the country. Cavan

also played catch up in this sector with a 5.63pc growth to €187,500.

Meanwhile sharing fifth place in the three-bedroom price growth league were Dublin 1 and Monaghan both up 5.56pc to €475,000 and €221,667 respectively.

As mentioned Donegal showed the sharpest fall with an 8.85pc drop to €171,667, the second cheapest in the country.

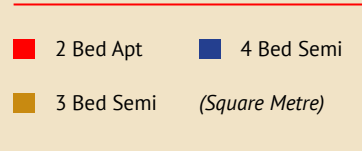
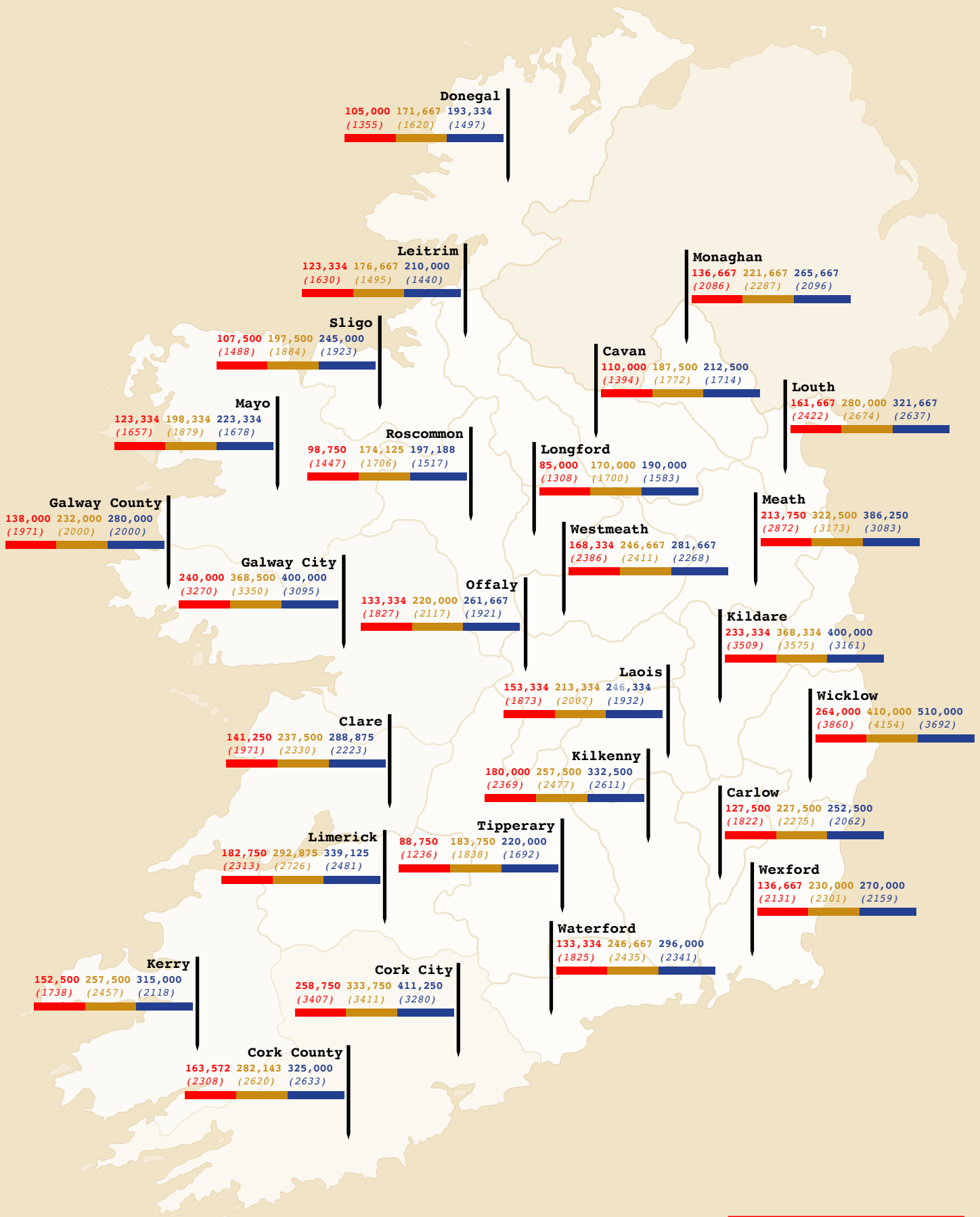
Dublin 4 still proves the most expensive for three-bedroom semis at an average of €950,000 despite their 2.31pc fall. Consequently the neighbouring market which includes Ranelagh, Rathmines and Rathgar, narrowed the gap ever so slightly on its neighbour as an 0.86pc rise in Dublin 6 consolidated its position as second dearest in this sector.

Dublin 3, including Clontarf, overtook its south city rival of Dublin 2 as a 3.08pc price rise pushed three bed prices to €670,000 in Dublin 3 while those in Dublin 2 were unchanged at €650,000.

Dublin 9 rose 2.36pc to €650,000, and as a result this area including Drumcondra and Santry, shared the fourth most expensive houses position with Dublin 2.

# Countrywide Price Breakdown

Price comparison across all counties





## Four bedroom semi-detached

Dublin 1, which includes the north inner city, showed the strongest price growth in the four-bedroom semi-detached sector with a 10pc growth to €550,000. It was followed by Wicklow with an 8.05pc rise to €510,000. Wicklow's neighbour of south county Dublin was third strongest with a 7.77pc increase to an average of €735,000. Meanwhile north county Dublin four beds climbed 6.35pc to €641,667.

Galway city four beds also performed strongly with a 5.96pc price rise to €400,000.

Donegal suffered the severest of the price falls in the four-bedroom segment, down 10.77pc to €193,334 - a price which is also the second cheapest in the country. Galway county, in contrast to its capital, saw prices dip 1.75pc to €280,000. Meath prices slipped 1.28pc to €386,250. In Dublin 14, including Dundrum and Churchtown, prices slipped 1pc to €732,778. Of the nine four-bedroom markets that saw price falls, the other five markets suffered price dips of less than 1pc.

However as a result of Dublin 14's price fall it was overtaken in the four bedroom price league by Dublin 7 which includes Cabra, Phibsborough, Stoneybatter and some parts of Ashtown where prices rose 1.35pc on average to €750,000.

Dublin 6 rose 4.76pc to €1,053,371, also narrowing the four-bedroom price gap on its Dublin 4 neighbour which was unchanged at €1,325,000. Dublin 2 held its third most expensive position despite a 0.56pc slip to €880,000.

## Two-bedroom apartment market

In the two-bedroom apartment sector north county Dublin showed the strongest price growth rising by 6.47pc to €356,667, followed by Longford with a 6.25pc rise to €85,000. Limerick scored a 5.94pc rise to €182,750 while neighbouring Clare rose 5.81pc to €141,250 and Cork County saw fifth strongest growth with a 5.43pc increase to €163,572.

After Donegal, the second sharpest decline in the two-bedroom sector was seen in Galway County - down 3.5pc to €138,000. Dublin 2 fell by 2.27pc to €430,000 and Kerry by 1.61pc to €152,500.

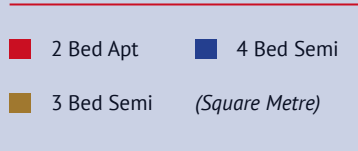
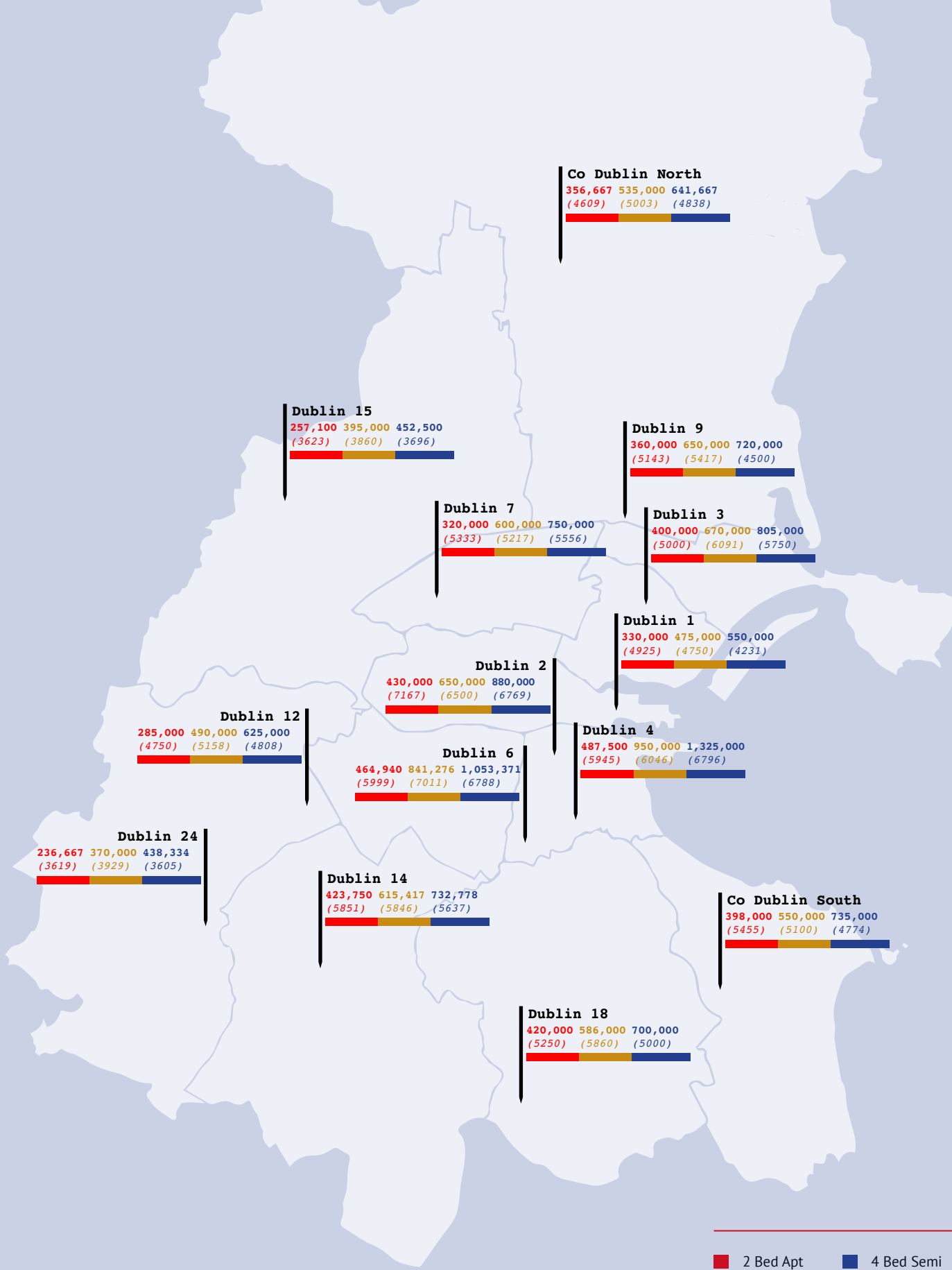
Dublin 4 held its lead position with an unchanged €487,500 for apartments followed again by Dublin 6 which was up 2.54pc to €464,940. Dublin 2 also maintained its position as third most expensive despite its prices slipping 2.27pc to €430,000.

Dublin 14 apartments climbed 0.84pc to fourth most expensive at €423,750 while neighbouring Dublin 18 apartments including those in Foxrock, Sandyford, Shankill and Carrickmines, remained fifth most expensive even though their prices slipped 1.18pc to €420,000.

Longford two-bedroom apartments are still the cheapest despite their 6.25pc catch-up to €85,000 and Tipperary apartments were second cheapest although they rose 1.43pc to €88,750. Meanwhile Roscommon's two-bed apartments also continued their price recovery with a 3.95pc rise to €98,750 to also bring these homes up the table to third cheapest. Donegal apartments are fourth cheapest at €105,000 while those in Sligo are fifth cheapest at €107,500 despite their healthy 4.88pc price rise.

# Dublin Price Breakdown

Price comparison across Dublin





**Paul McCartney, Editor**

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The figures in the barometer are the average price achieved over a six month period, July to December 2022, completed by 108 selected members of IPAV throughout the 26 counties of Ireland. ©