



The Daft.ie Housing Market Report

An analysis of recent trends in the
Irish estate market for June 2020

Introduction by Ronan Lyons,
Assistant Professor of Economics at Trinity College Dublin

“Ireland is used to building homes for bigger households, away from the big cities and for owner-occupiers. Repositioning the construction sector to build what the country needs is one of the big challenges for the new government.”





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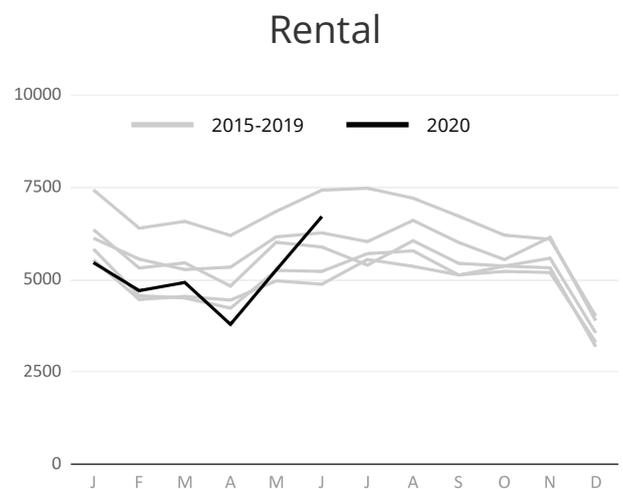
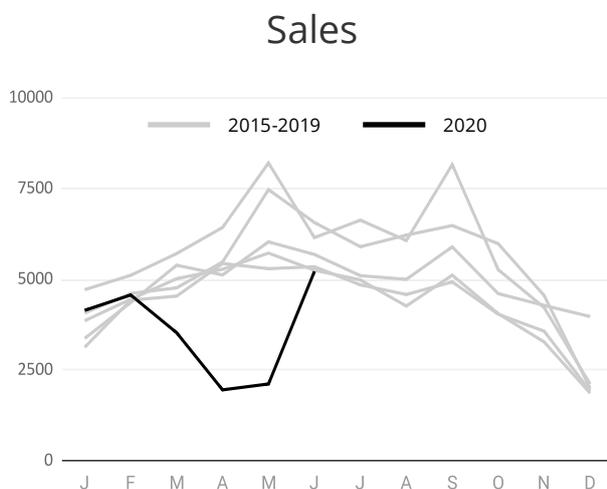
Market activity starts to pick up.

This is the second of the new monthly Daft.ie Reports, covering both sale and rental segments. After two pretty volatile months, in terms of changes in listed prices, the month of June was largely calm. However, if compared to the same time last year, sale prices are now 3.3% lower, while rental prices are effectively unchanged (0.2% higher), on average.

Dublin largely mirrors these overall trends, with a 3.8% fall in sale prices and a 0.5% rise in rental prices in 12 months – as does the rest of Leinster and, by and large, Munster. In Connacht-Ulster, however, the market appears to be bucking the national trends, with rental prices 2% lower and sale prices almost 1% higher than this time last year.

It is on the quantities side of things where the more interesting market changes are happening. As noted in the commentary to the last report, there are two different ways to think about supply: the total number of homes available to buy or rent in a market on any given date (the stock) – the measure that matters more to a buyer or renter – and the total number of homes put up for sale or to rent during a period such as a month (the flow).

The flow of properties on to the market may be less of direct interest to buyers and renters but it is a better indicator of what's happening on the supply side of both sale and rental markets. And in both, June marked a return to something much closer to normality. The figure accompanying this commentary has two panels showing the number of sale and rental ads, by month and year, going back to 2015. This year, to end-June, is shown in black, while the previous years are shown in grey.



The return to something like normal is quite clear in the left-hand panel, which shows the sale segment. There, the number of properties posted for sale during April and May was roughly one quarter of what had been posted in 2019. But in June, the number of ads recovered to just 15% fewer than in 2019 – not far off January and February, which were more than 10% below 2019 levels.

At a national level, the rental segment (right panel) has been less affected and its June recovery takes it above all but one of the last five years. This is driven by Dublin, where there were 65% more rental ads in June 2020 than the same month a year ago. Elsewhere, there was annual growth in rental listings but far less dramatic – from 10% in Munster to 24% in Leinster (outside Dublin).

Overall, in the first half of 2020, there were almost 15,500 homes put up for rent in Dublin, up 3,000 on the same six months in 2019. In the rest of the country combined, there were almost the same number of rental ads in January-June (just below 15,400) but this represented a fall of 1,000 on the 2019 total, rather than a rise.

Setting to one side – if that is possible – the Covid-19 pandemic and the related economic turmoil, the additional rental supply in Dublin is most welcome for a city starved of rental homes. The danger, however, lies in the trap of thinking that these extra 3,000 homes on the market represent the solution to the housing shortage. 3,000 homes represents less than one month's demand of rental homes and – to the extent that it represents a shift from the short-term lettings market to the long-term rental one – is a one-off gain.

The country is still in need of hundreds of thousands of homes, principally for smaller households of one to two persons, in the social and market rental segments, and in or close to the biggest cities and towns. Ireland is used to building homes for bigger households, away from the big cities and for owner-occupiers. Repositioning the construction sector to build what the country needs is one of the big challenges for the new government.

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National Sales & Rental

June 2020

€254k

Average Sale Price

-0.5% Month-on-Month

€1,402

Average Monthly Rent

+0.2% Month-on-Month

Dublin Sales & Rental

June 2020

€369k

Average Sale Price

-0.2% Month-on-Month

€2,023

Average Monthly Rent

-0.1% Month-on-Month

Year-on-Year changes

National

-3.3%

Sales

+0.2%

Rental

Dublin

-3.8%

Sales

+0.5%

Rental

National average

For the country as a whole, sale prices in June 2020 were an average of 3.3% lower than a year previously while rental prices were 0.2% higher.

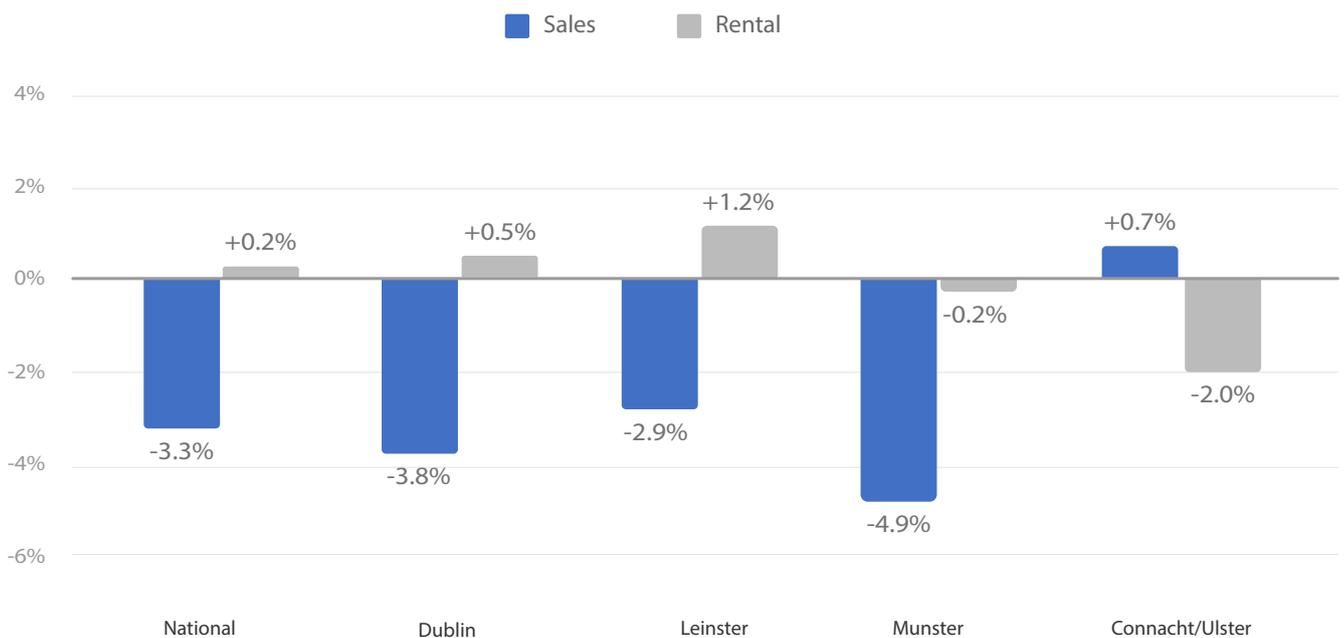
Capital Changes

In Dublin, rents were up 0.5% year-on-year, while sale prices in June were 3.8% lower than 12 months previously. The pattern was similar elsewhere in Leinster, with rents up 1.2% and sale prices down 2.9%.

Lower House Prices

Munster has seen the biggest fall in sale prices in the last 12 months - with a fall of 4.9% - although rents are largely unchanged. The pattern is reversed in Connacht-Ulster, where sale prices are largely unchanged but rents are 2% lower.

Year-on-Year Change in Prices



Sales Prices

Average sale prices for June 2020



Slight decrease

The average listed sale price nationwide fell by 0.5% in June, having risen by 3.8% in May.

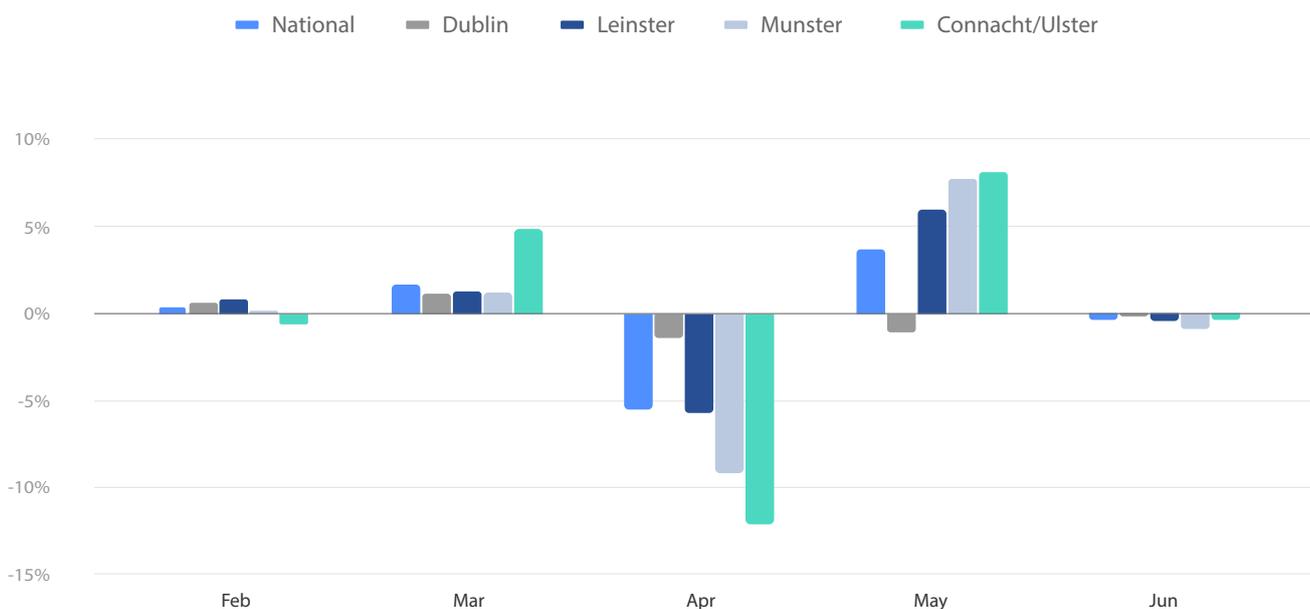
Price falls in West

Prices in June were on average 2.2% lower than in March, their highest level this year - with a substantially greater fall in Connacht-Ulster (of 4.9% in the same period).

Stability in capital

In Dublin, prices have been noticeably less volatile than in other markets - with the capital seeing changes of no more than 1% up or down in recent months, compared to much greater changes elsewhere.

Monthly change in average listed Sale Prices



Rental Prices

Average rent prices for June 2020

€1,402

National

€2,023

Dublin

National average

The average listed monthly rent nationwide rose by 0.2% in June, having risen by 0.7% in May.

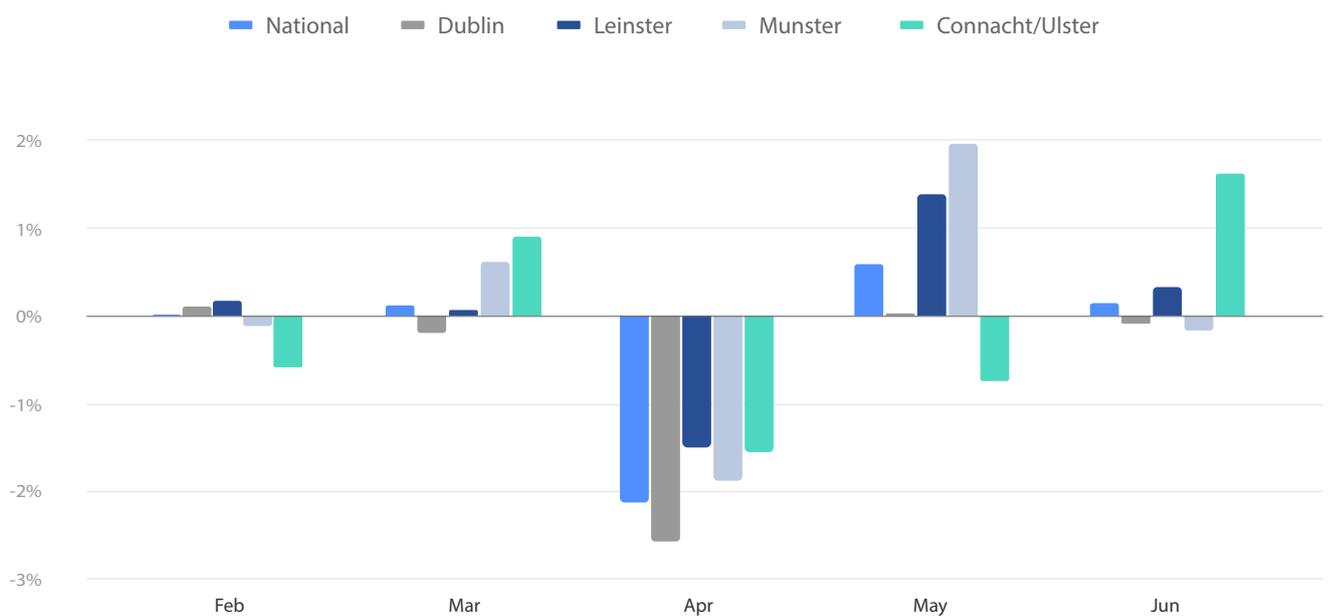
Further decreases in Dublin

Compared to March, when rents were at their highest level this year so far, rents are now 1.2% lower nationwide - but 2.4% lower in Dublin, which saw a bigger adjustment in April than other regions.

Rest of country is stable

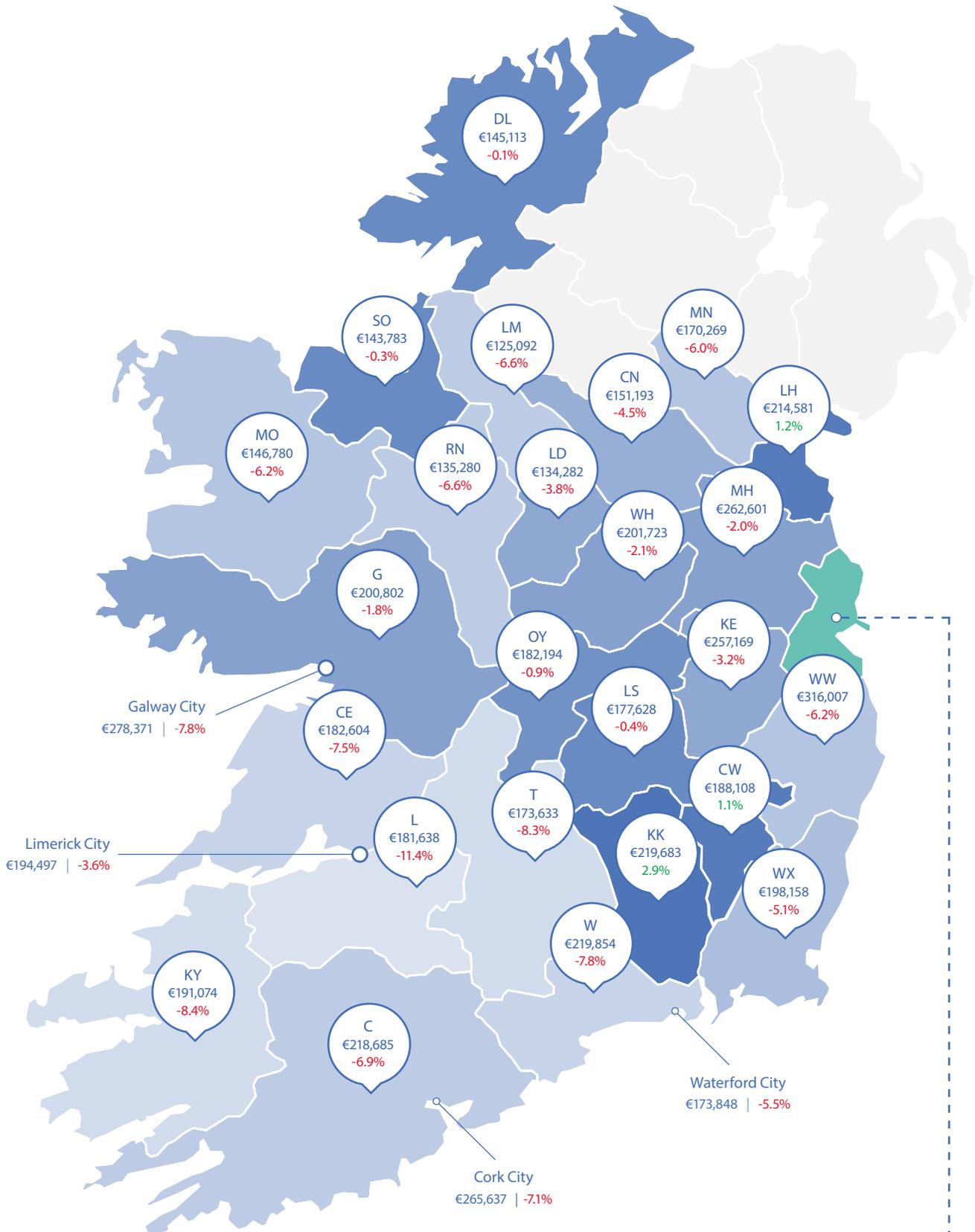
Elsewhere, rents in Leinster are 0.8% above their March level and largely unchanged in Connacht-Ulster, while rents in Munster are lower but by less than 1%.

Monthly change in average listed Rental Prices



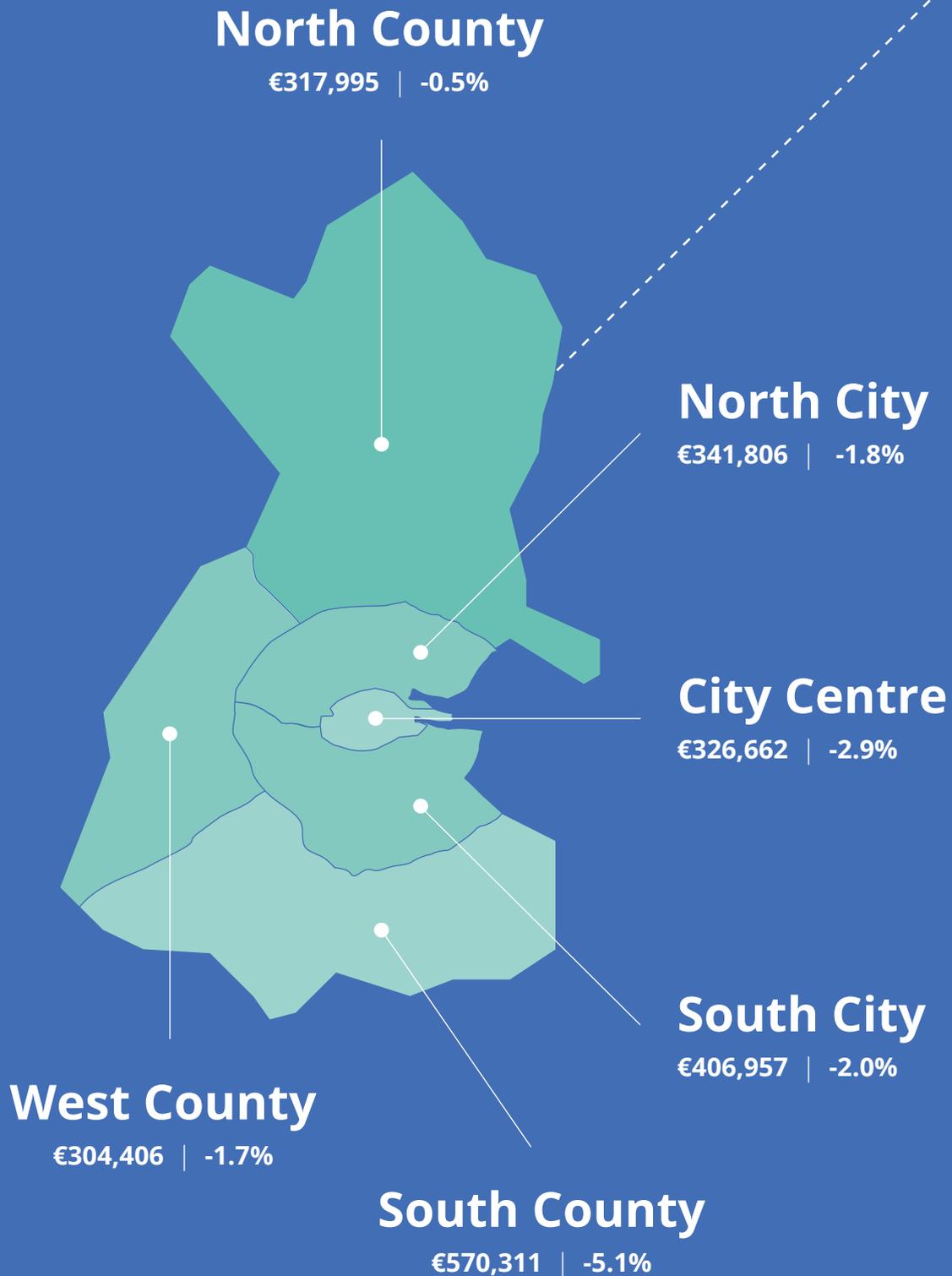
Price Map - Nationwide

Average asking prices and Y-on-Y change



Price Map - Dublin

Average asking prices and Y-on-Y change



Sales Snapshot

Average asking prices across Ireland (€000s), and annual change (%), June 2020

		1 bed apartment		2 bed terraced		3 bed semi-d		4 bed bungalow		5 bed detached	
DUBLIN	Dublin 1	€233	4%	€325	0%	€425	-1%	€618	2%	€723	2%
	Dublin 2	€325	-3%	€432	0%	€536	-1%	€793	0%	€852	-3%
	Dublin 3	€283	1%	€379	0%	€473	0%	€743	0%	€859	-3%
	Dublin 4	€344	6%	€488	6%	€675	1%	€1,113	5%	€1,243	2%
	Dublin 5	€215	2%	€274	-3%	€384	2%	€649	-1%	€687	-8%
	Dublin 6	€358	-3%	€456	-7%	€640	-2%	€1,083	-5%	€1,146	-12%
	Dublin 6W	€277	0%	€353	-4%	€496	1%	€839	-2%	€888	-9%
	Dublin 7	€228	-1%	€290	-6%	€407	-1%	€688	-4%	€728	-11%
	Dublin 8	€231	-1%	€294	-6%	€413	-1%	€699	-4%	€739	-11%
	Dublin 9	€218	1%	€278	-4%	€390	1%	€660	-2%	€699	-9%
	Dublin 10	€147	-2%	€187	-7%	€262	-2%	€443	-5%	€469	-12%
	Dublin 11	€165	-1%	€210	-6%	€294	-1%	€498	-4%	€527	-11%
	Dublin 12	€188	-2%	€240	-6%	€337	-1%	€570	-4%	€603	-11%
	Dublin 13	€216	-1%	€275	-5%	€386	0%	€653	-3%	€691	-10%
	Dublin 14	€274	0%	€350	-4%	€491	1%	€830	-2%	€879	-9%
	Dublin 15	€171	1%	€218	-4%	€306	1%	€518	-2%	€549	-9%
	Dublin 16	€234	0%	€298	-5%	€418	0%	€708	-3%	€749	-10%
	Dublin 17	€143	4%	€182	-1%	€255	4%	€432	1%	€457	-6%
	Dublin 18	€255	2%	€325	-3%	€456	2%	€771	-1%	€816	-8%
	Dublin 20	€191	-2%	€243	-6%	€341	-1%	€577	-4%	€611	-11%
Dublin 22	€139	-2%	€177	-6%	€249	-2%	€421	-5%	€445	-11%	
Dublin 24	€155	2%	€197	-2%	€277	3%	€469	0%	€496	-8%	
North Co Dublin	€172	3%	€220	-2%	€308	3%	€522	0%	€552	-7%	
South Co Dublin	€299	-2%	€381	-6%	€535	-1%	€905	-4%	€958	-11%	
West Dublin	€162	1%	€207	-4%	€290	1%	€491	-2%	€520	-9%	
OTHER CITIES	Cork City	€110	-16%	€138	-19%	€204	-16%	€365	-16%	€420	-20%
	Galway City	€106	-16%	€133	-19%	€197	-16%	€351	-16%	€405	-21%
	Limerick City	€84	-13%	€104	-16%	€155	-12%	€277	-12%	€319	-17%
	Waterford City	€72	-14%	€90	-18%	€133	-14%	€238	-14%	€274	-19%

Sales Snapshot

Average asking prices across Ireland (€000s), and annual change (%), June 2020

		1 bed apartment		2 bed terraced		3 bed semi-d		4 bed bungalow		5 bed detached	
LEINSTER	Meath	€106	-2%	€129	-8%	€183	-1%	€361	-3%	€373	-9%
	Kildare	€110	-4%	€133	-10%	€189	-3%	€374	-5%	€386	-10%
	Wicklow	€134	-7%	€162	-12%	€230	-6%	€455	-7%	€469	-13%
	Louth	€94	1%	€114	-5%	€161	2%	€319	0%	€329	-6%
	Longford	€51	-4%	€62	-10%	€88	-3%	€174	-5%	€179	-10%
	Offaly	€73	-2%	€89	-7%	€126	-1%	€249	-2%	€256	-8%
	Westmeath	€82	-2%	€99	-8%	€140	-2%	€278	-3%	€286	-9%
	Laois	€74	-1%	€90	-7%	€127	0%	€252	-2%	€259	-8%
	Carlow	€76	1%	€92	-5%	€130	1%	€258	0%	€266	-6%
	Kilkenny	€87	3%	€105	-3%	€149	4%	€295	2%	€304	-4%
	Wexford	€75	-5%	€91	-11%	€129	-4%	€255	-6%	€263	-12%
MUNSTER	Waterford Co	€87	-12%	€101	-14%	€142	-8%	€272	-16%	€286	-16%
	Kerry	€75	-13%	€86	-15%	€122	-9%	€233	-16%	€245	-16%
	Cork Co	€88	-12%	€102	-14%	€144	-8%	€276	-15%	€290	-15%
	Clare	€74	-12%	€85	-14%	€121	-8%	€231	-16%	€243	-16%
	Limerick Co	€69	-16%	€80	-18%	€113	-12%	€215	-19%	€226	-19%
	Tipperary	€69	-13%	€80	-15%	€113	-9%	€217	-16%	€228	-16%
CONNACHT	Galway Co	€71	-5%	€84	-9%	€115	-6%	€239	-6%	€239	-11%
	Mayo	€58	-10%	€68	-14%	€94	-11%	€195	-11%	€195	-15%
	Roscommon	€49	-11%	€58	-14%	€80	-12%	€167	-11%	€166	-16%
	Sligo	€61	-4%	€72	-8%	€98	-5%	€204	-5%	€204	-10%
	Leitrim	€49	-10%	€58	-14%	€79	-11%	€165	-11%	€165	-16%
ULSTER	Donegal	€55	-4%	€65	-8%	€89	-5%	€185	-4%	€184	-10%
	Cavan	€56	-8%	€66	-12%	€90	-9%	€188	-8%	€187	-13%
	Monaghan	€66	-9%	€78	-13%	€107	-10%	€223	-10%	€223	-15%

Sales Supply

Number of homes for sale, July 1st

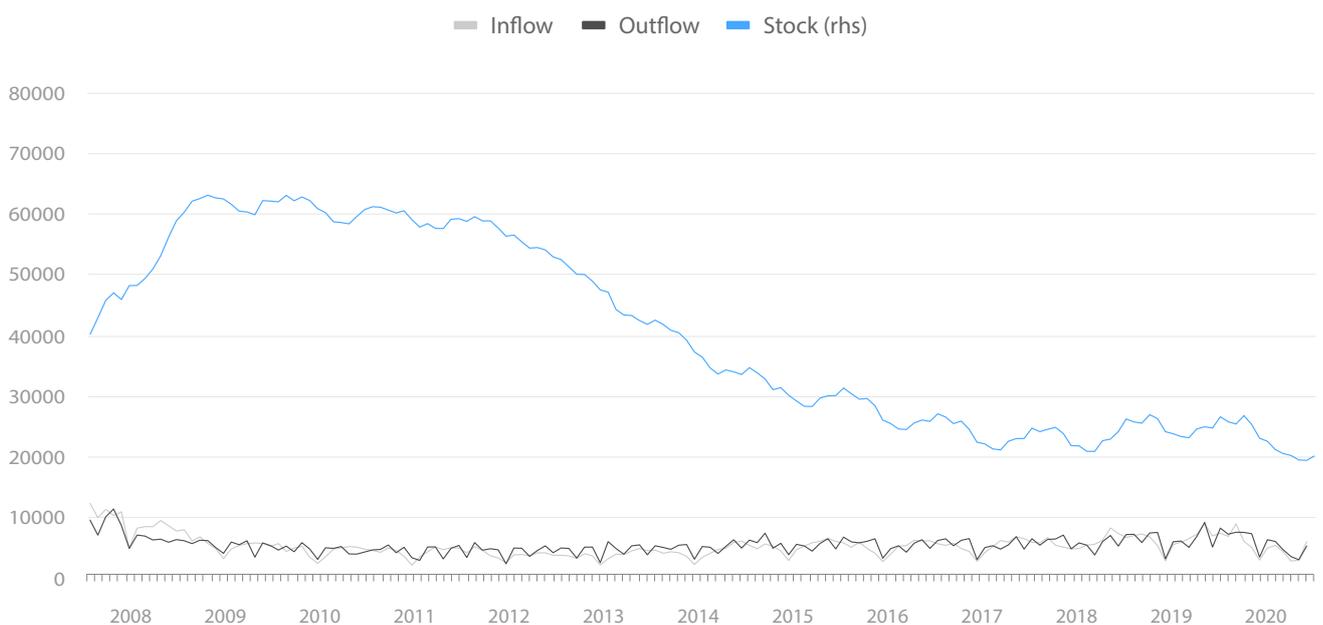


The total number of homes available for sale nationwide on 1 July was 19,510, down one quarter on the same date a year ago and the lowest July total since 2006.

15% ↓

Over 5,200 homes were advertised for sale during June 2020, 15% fewer than during June 2019. In April and May, the number of sale listings nationwide was down nearly 75%.

Stock and flow of property for sale



Rental Supply

Number of new homes for rent, July 1st

4,534

+21%
National

2,751

+63%
Dublin

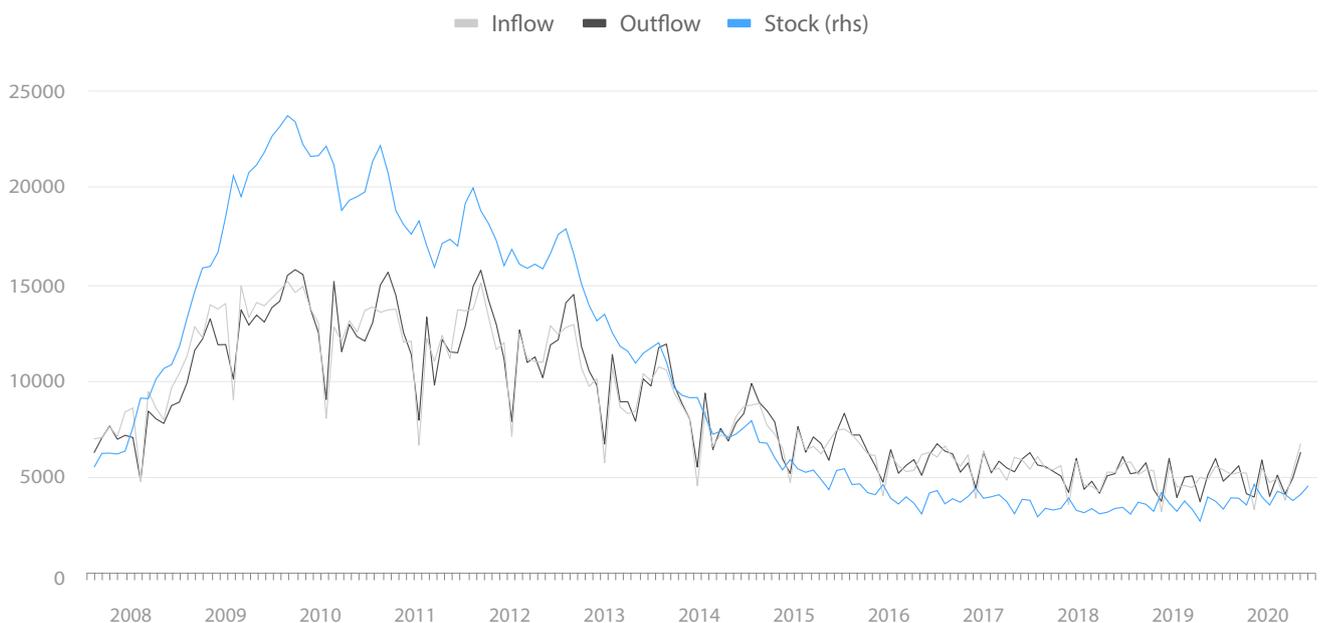


Just over 4,500 homes were available to rent nationwide, on 1 July 2020, up 21% on the same date in 2019. This represents the highest July figure since 2015.

63%

In Dublin, availability is noticeably higher than a year ago - with over 2,700 homes on the market on July 1 this year, compared to fewer than 1,700 in July 2019. Elsewhere, availability is down, by between 10% in Connacht-Ulster and 17% in Leinster, outside Dublin.

Stock and flow of property to rent



Over the last 15 years, Daft.ie has collected a vast amount of data on the Irish property market. In 2014 alone, over 140,000 properties for sale or rent were advertised on the site.

About the Report

The goal of the Daft Report is to use this information to help all actors in the property market make informed decisions about buying and selling. In addition, because it is freely available, the Daft Report can help inform the media, the general public and policymakers about the latest developments in the property market.

This is the Daft.ie monthly housing market report, the partner to the quarterly Daft House Sales Report and the Daft Rental Report. Together, they give house-hunters and investors more information to help them make their decisions. These twin reports mean that Daft is the only objective monitor of trends in both rental and sales markets on a quarterly basis, making the report an essential barometer for anyone with an interest in the Irish property market.

The Daft Report was first launched in 2005. It has become the definitive barometer of the Irish rental market and is being used by the Central Bank, mortgage institutions, financial analysts and the general public alike. The Daft.ie House Price report is Ireland's longest-running house price report, combining information from the Daft.ie archives with data from Ireland's Residential Property Price Register.

Methodology and Sample Size

The statistics are based on properties advertised on Daft.ie for a given period. The regressions used are hedonic price regressions, accounting for all available and measurable attributes of properties, with a Cooks Distance filter for outliers.

The average annual sample size for lettings properties is 60,000. Indices are based on standard methods, holding the mix of characteristics constant, with the annual average of 2016 used as the base. For more on the methodology, please see www.daft.ie/research.

About Daft.ie

Daft.ie is Ireland's largest property website. The latest audited report from ABC (Sep 2011) shows monthly traffic of 130 million page impressions (pages of information received) and 1.976 million unique users per month across Daft Media's property websites (daft.ie, rent.ie, let.ie, property.ie). This makes Daft.ie the biggest property website in Ireland across all demographics.

Disclaimer

The Daft.ie Report is prepared from information that we believe is collated with care, but we do not make any statement as to its accuracy or completeness. We reserve the right to vary our methodology and to edit or discontinue the indices, snapshots or analysis at any time for regulatory or other reasons. Persons seeking to place reliance on any information contained in this report for their own or third party commercial purposes do so at their own risk.

Credits

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Coming next:

The Daft.ie House & Rental Price Report July 2020.

The Daft.ie House & Rental Price Report July 2020 will be published in early August and will include a review of the performance of Ireland's sales market, plus all the usual indices, snapshots, trends and analysis, providing analysts, buyers, sellers and the public with the most up-to-date information on Ireland's sales market.

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