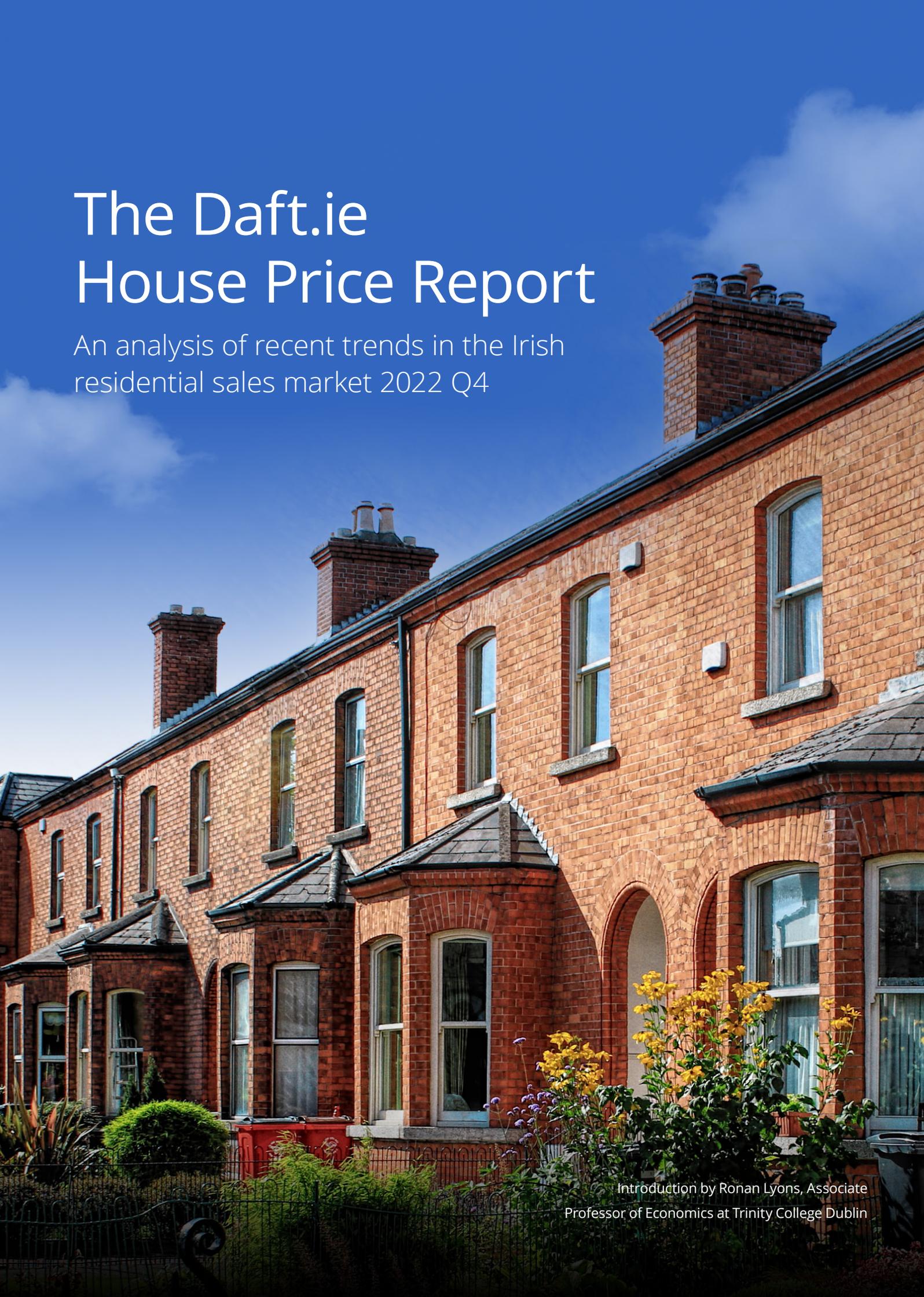


The Daft.ie House Price Report

An analysis of recent trends in the Irish
residential sales market 2022 Q4



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

“What are we to take from two quarters in a row without an increase in prices? The last time this happened, in the second half of 2019, it could be interpreted largely as a sign of supply, both new and second-hand, at long last coming up to the levels needed to meet market demand.”



Ronan Lyons,
Associate Professor in Economics
Trinity College Dublin

As supply strengthens, demand cools

Over the course of 2022, the average listed price nationwide increased by 6.1%. This marks a smaller increase than during 2021 (8.1%) or 2020 (7.7%) – but, given that the market pre-covid19 was effectively in balance, with a slight fall of 1.2% during 2019, the sales market in Ireland was not over the course of the last 12 months one where supply was adequate to meet demand.

This is what the headline indicator from this latest Daft.ie Report tells us. There are, of course, lots more details when one scratches the surface. One is the declining difference between Dublin and the rest of the country. 2022 was another year where prices outside Dublin (6.9%) saw a bigger increase than the capital (5.0%) – although far less dramatically than in 2021, when prices outside Dublin rose by 11.2% compared to just 3.4% in the city.

And this two-way split, of course, itself hides a lot of detail. Within Dublin, certain postcodes – in particular Dublin 6 (around Rathmines and Ranelagh) and Dublin 15 (Castleknock) saw strong growth during the year, with prices rising 9.6% and 6.9% respectively in these postal districts. Meanwhile, prices fell by 5% in Dublin 17 (Clonshaugh and Priorswood) and grew by 3% or less in Dublin 10, Dublin 20 and Dublin 22. If this looks like a simple story of more expensive areas seeing greater price growth, then an increase of just 1.4% in Dublin 4 – and 3.3% in South County Dublin – over the course of the year is a significant complication in such a narrative.

Outside Dublin, in general increases were larger – although Cork City and Monaghan (both 3.3%) saw very little price growth during the year. Most of Monaghan’s neighbours, on the other hand, saw price growth of 9% or more – as did much of Leinster.

Part of the reason there are such a multitude of stories is the pattern of change by quarter, rather than by year. Prices nationally showed strong rates of growth in both first and second

quarters: 2.9% and 3.6% respectively, two of the three largest quarterly gains in the last five years. But in the third quarter, prices were effectively static and in the final quarter they declined by 0.4%.

During the 2010s, a pattern emerged of what the academic literature calls a ‘cold’ market in the final three months of the year. In each year from 2014 to 2018, encouraged by the calendar-year basis of the mortgage market rules and their exemptions, prices rose in each of the first three quarters but fell in the final one.

This seasonality was noticeably absent from the market between the middle of 2020 and the middle of 2022, when prices rose for eight consecutive quarters – the longest run of increases going back to the start of the Daft.ie Sales Report in 2006.

What are we to take from two quarters in a row without an increase in prices? The last time this happened, in the second half of 2019, it could be interpreted – as my commentary on that report did – largely as a sign of supply, both new and second-hand, at long last coming up to the levels needed to meet market demand.

Over the course of 2019, almost 70,000 homes were listed for sale – with just over one third of these (24,000 on average) on the market at any point in time that year. Covid19 caused havoc with the sales market and the number of homes advertised in the year to February 2021 was just 46,000. But even as supply faltered, demand remained strong – boosted by unexpected savings during the pandemic. Prices surged and the total number of homes on the market halved to just 12,000 in early 2021.

Since then, supply has recovered – slowly and steadily rather than rapidly – with 64,000 homes put up for sale during 2022, a level of supply similar to 2018. Any loss of supply, though, takes time to be replaced and while the flow of properties onto the market has almost fully recovered, availability – at just over 15,000 homes on December 1st – remains closer to the pandemic low than the pre-pandemic level.

Coupled with another 6% increase in the average listed prices, this suggests that, at least over the course of 2022, demand has remained strong. But what will 2023 bring? There are reasons to think that demand has started to cool off, following an unprecedented couple of years.

On the one hand, interest rates have risen. One mortgage market provider started the year with fixed rates below 2% but will enter the new year with rates for the same product of almost double that. This mathematically filters through to affordability and the maximum loan a provider will lend.

Underpinning the change in mortgage market conditions, though, is of course a wider change in macroeconomic conditions, at least part of which is related to economies adjusting to a post-lockdown world and to the war in Ukraine. Such uncertainty makes people less confident about the future.

We can see this in the expected rate of change in housing prices. At 0.2% in December, this is the weakest expected increase since 2020, when lockdown meant that people expected – initially at least – that prices would fall. But in 2020, as discussed above, it was supply rather than demand that was most affected by lockdown.

Market Survey

Each quarter, Daft.ie surveys over 1,000 property market participants, asking them about their sense of the market as a whole, and their own intentions. Below are some of the headline results.



Continued dip in expectations of price growth

Expectations for price growth remain low in Q4 2022, down to 0.2% from 4.4% in Q4 2021

Expectations of price growth are slightly lower for Dublin than for outside of Dublin, 0.8% vs 1% respectively.

Half of respondents state the need to save for a deposit an issue

Just over half of those looking to buy but not straight away cite the need to save for a deposit as a key factor in delaying home purchase.

This is a bigger issue in Dublin than outside of Dublin, 59% compared to 48%.

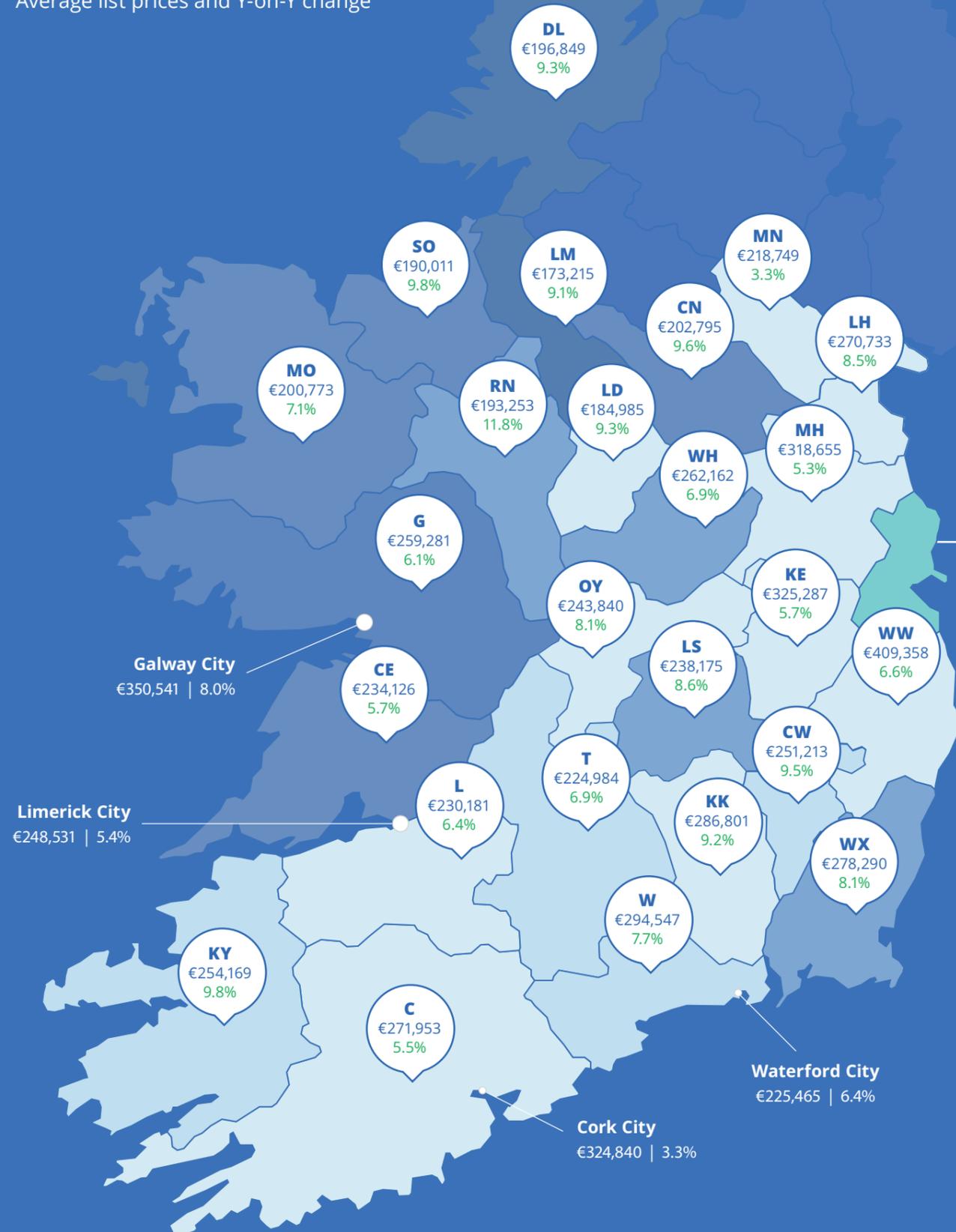
Lack of homes remains an issue for survey respondents

Almost 70% of respondents cite the lack of homes as a factor in delaying home purchase, down from 80% two years ago.

The lack of supply has been a relatively constant feature in the market throughout the five years.

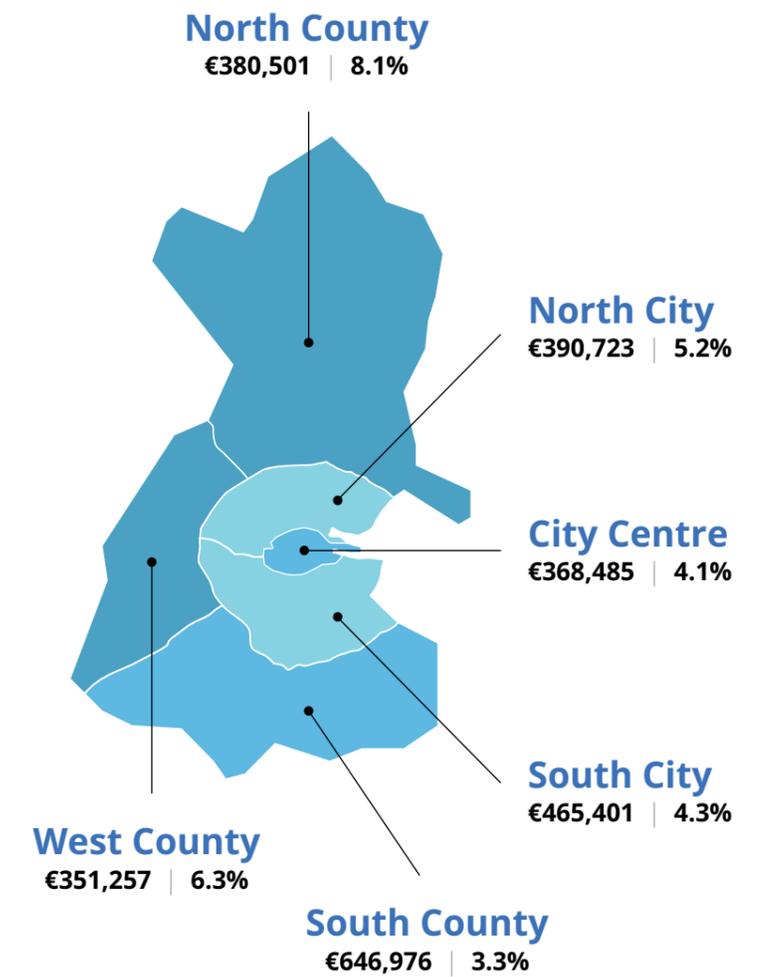
Nationwide

Average list prices and Y-on-Y change



Dublin

Average list prices and Y-on-Y change



Prices up year-on-year in all markets

Across the 54 markets covered in each Daft.ie Sales Report, prices are on average 6.1% higher now than a year ago. This is the slowest rate of inflation in over two years and comes as a result of prices being stable in the third quarter and falling by 0.4% in the final quarter. These quarterly trends are similar across the Dublin and 'ex-Dublin' markets on average, although within each market there are differences. Compared to a year ago, prices are just 1.4% higher in Dublin 4 and 3.3% higher in Donegal - while in Roscommon they remain almost 12% higher than a year ago.

Daft.ie National Price Index

€309,941

Average Listing Price

Asking Prices, Residential Sales

(2012 average = 100)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
January	128.2	105.6	96.8	99.9	112.8	122.1	134.1	143.4	151.0	149.3	161.8	173.0
February	128.1	104.5	96.1	99.3	117.6	122.9	135.6	145.8	153.2	149.9	160.3	175.9
March	125.3	102.9	96.6	103.3	119.1	125.7	135.8	146.0	155.2	152.5	164.3	180.5
April	121.8	101.7	96.6	104.5	118.7	125.0	140.6	148.4	154.5	144.4	165.9	181.4
May	120.1	102.2	97.0	107.2	119.4	126.0	141.9	149.2	151.9	149.9	167.3	183.3
June	116.1	99.5	97.5	107.9	118.2	127.8	140.6	149.3	154.2	149.1	168.7	183.6
July	115.4	97.8	96.5	109.9	120.3	128.9	141.4	151.4	152.5	152.9	169.5	182.7
August	113.1	98.9	97.0	111.2	120.4	130.1	142.0	149.7	151.7	155.8	170.0	182.1
September	113.3	97.1	96.7	112.9	121.5	130.9	141.0	151.4	148.4	156.2	170.2	183.4
October	108.7	97.9	97.2	110.5	120.6	128.7	141.8	150.6	148.4	157.3	171.7	182.2
November	106.0	95.8	96.9	110.0	119.5	129.0	139.2	147.1	145.1	157.7	171.5	180.5
December	106.0	96.0	96.2	111.1	119.8	131.0	143.3	149.8	148.6	161.0	171.4	183.5

0.4% decline in Q4

Average list prices nationally fell by 0.4% in the final quarter of 2022, the first time prices have fallen since the onset of the COVID19 pandemic.



Year-on-year growth at 6.1%

Prices nationally in the final quarter of 2022 were 6.1% higher than a year previously, the slowest inflation in just over two years.



Increases in Connacht-Ulster only

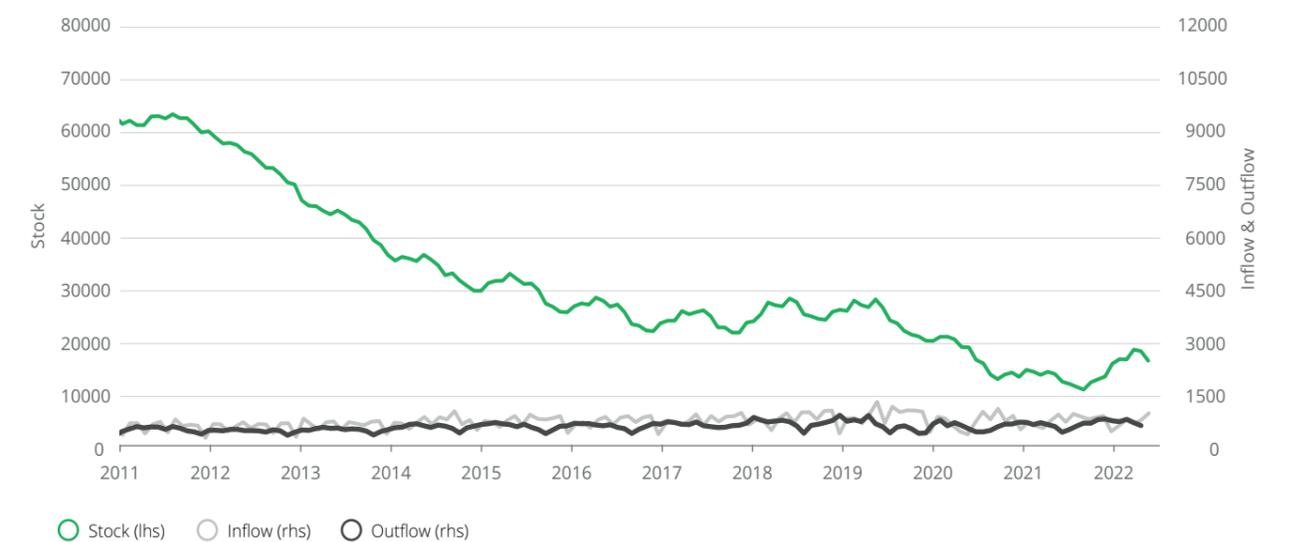
Of the five main regions covered in the report, prices rose quarter-on-quarter only in Connacht-Ulster - they were flat in Leinster (excluding Dublin) and falling elsewhere.



Number of homes for sale up one third

The total number of properties available to buy on December 1st was 15,223, up 32% from the same period last year but still well below the 2019 average of 24,000

Stock of properties for sale on Daft.ie (start of month) and flow of new properties for sale, 2011-2022



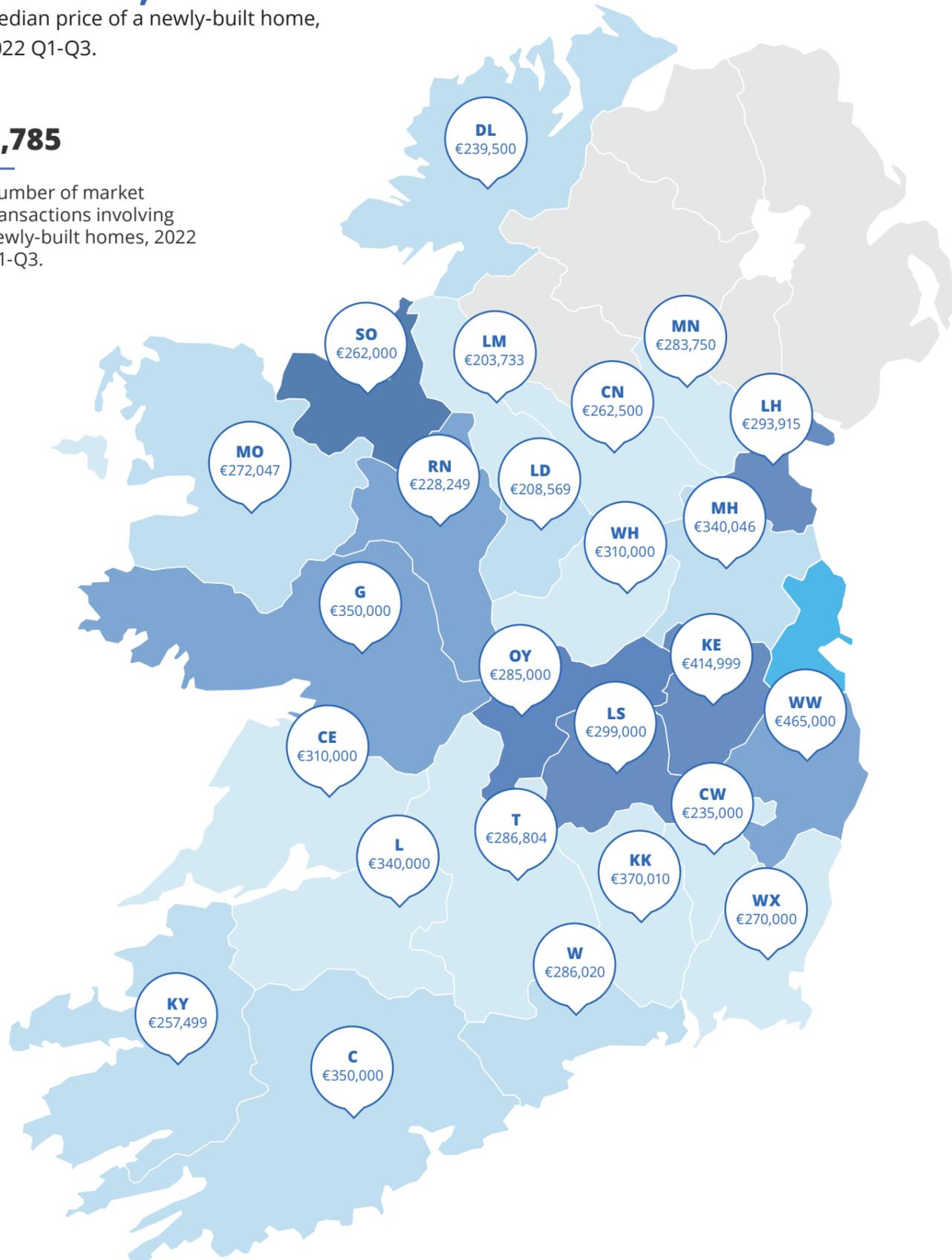
The Daft.ie List Price Index is based on listed prices for properties posted for sale on Daft.ie. An index based on list price, as opposed to closing price, is a measure of sellers' expectations. Figures are calculated from econometric regressions, which calculate changes in price that are independent of changes in observable measures of quality, such as location, or bedroom number.

€370,000

Median price of a newly-built home, 2022 Q1-Q3.

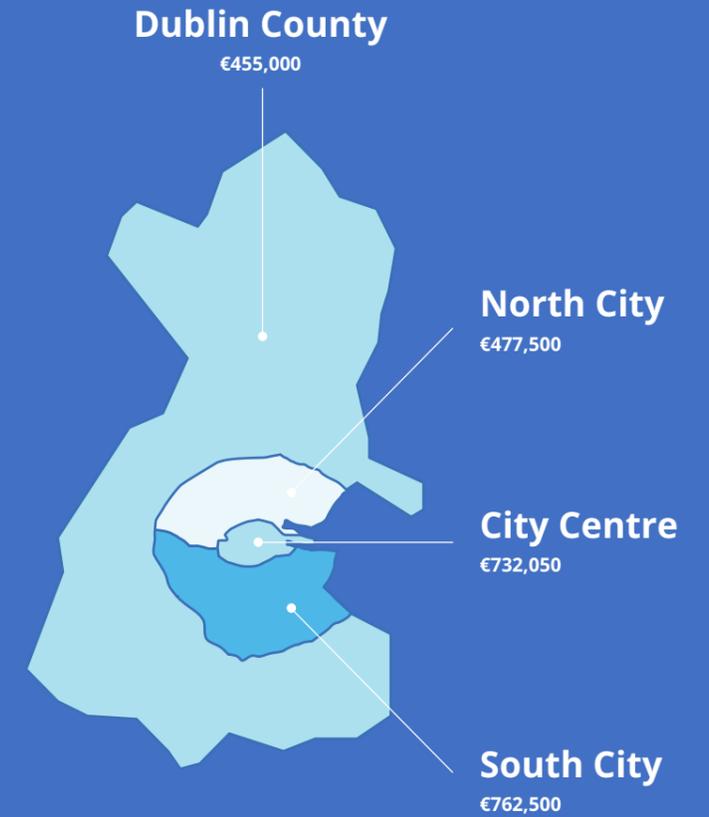
6,785

Number of market transactions involving newly-built homes, 2022 Q1-Q3.



Dublin

Average number of new homes transactions and Y-on-Y change



6,800 In the nine months of 2022 to end-September, there were nearly 6,800 transactions of newly-built homes - up 23% on the same period in 2021

+6% The median price of a newly built home in the first nine months of 2022 was just over €370,000, up 6% on the same period in 2021

€370k Dublin and its commuter counties accounted for just over three fifths of transactions of newly-built homes in the first nine months of 2022 - the same share as in the first nine months of 2021.

Daft.ie Snapshot of Asking Prices Nationwide



What can I ask for? Can I afford it?

Average asking prices across Ireland (€000s), and annual change (%), 2022 Q4

		1 bed apartment		2 bed terraced		3 bed semi-d		4 bed bungalow		5 bed detached	
DUBLIN	Dublin 1	€250	4.0%	€360	5.0%	€474	6.0%	€654	4.0%	€853	14.0%
	Dublin 2	€373	-3.0%	€512	8.0%	€650	8.0%	€874	8.0%	€1,043	5.0%
	Dublin 3	€316	12.0%	€415	4.0%	€529	5.0%	€752	1.0%	€921	10.0%
	Dublin 4	€370	-8.0%	€570	5.0%	€744	1.0%	€1,103	0.0%	€1,386	11.0%
	Dublin 5	€227	6.0%	€308	6.0%	€428	5.0%	€680	7.0%	€739	2.0%
	Dublin 6	€387	11.0%	€526	11.0%	€731	9.0%	€1,161	11.0%	€1,262	7.0%
	Dublin 6W	€307	6.0%	€418	6.0%	€581	4.0%	€922	6.0%	€1,003	2.0%
	Dublin 7	€245	6.0%	€334	6.0%	€464	4.0%	€737	6.0%	€801	2.0%
	Dublin 8	€252	5.0%	€343	4.0%	€477	3.0%	€758	5.0%	€823	0.0%
	Dublin 9	€233	5.0%	€317	5.0%	€441	3.0%	€700	5.0%	€761	0.0%
	Dublin 10	€163	4.0%	€221	4.0%	€308	2.0%	€489	4.0%	€531	0.0%
	Dublin 11	€185	7.0%	€251	7.0%	€349	5.0%	€555	7.0%	€603	2.0%
	Dublin 12	€209	4.0%	€284	4.0%	€395	2.0%	€627	4.0%	€682	0.0%
	Dublin 13	€236	6.0%	€321	6.0%	€447	4.0%	€710	6.0%	€771	2.0%
	Dublin 14	€294	6.0%	€399	6.0%	€555	4.0%	€882	6.0%	€959	2.0%
	Dublin 15	€192	8.0%	€262	8.0%	€364	7.0%	€577	9.0%	€628	4.0%
	Dublin 16	€263	6.0%	€358	6.0%	€498	5.0%	€790	6.0%	€859	2.0%
	Dublin 17	€148	-4.0%	€202	-4.0%	€280	-5.0%	€445	-3.0%	€484	-7.0%
	Dublin 18	€275	6.0%	€375	6.0%	€521	4.0%	€827	6.0%	€899	2.0%
	Dublin 20	€208	3.0%	€282	3.0%	€392	2.0%	€623	4.0%	€677	-1.0%
Dublin 22	€162	4.0%	€220	4.0%	€306	3.0%	€486	4.0%	€529	0.0%	
Dublin 24	€172	5.0%	€234	5.0%	€325	4.0%	€517	6.0%	€562	1.0%	
North Co Dublin	€197	9.0%	€268	9.0%	€373	7.0%	€592	9.0%	€643	5.0%	
South Co Dublin	€325	4.0%	€443	4.0%	€615	3.0%	€977	5.0%	€1,062	0.0%	
West Dublin	€179	8.0%	€243	7.0%	€339	6.0%	€538	8.0%	€584	3.0%	
OTHER CITIES	Cork City	€156	7.0%	€193	8.0%	€283	4.0%	€485	6.0%	€516	-5.0%
	Galway City	€155	12.0%	€192	13.0%	€282	9.0%	€483	12.0%	€514	0.0%
	Limerick City	€123	9.0%	€152	10.0%	€223	6.0%	€382	8.0%	€406	-3.0%
	Waterford City	€108	10.0%	€134	11.0%	€196	7.0%	€337	10.0%	€358	-2.0%

		1 bed apartment		2 bed terraced		3 bed semi-d		4 bed bungalow		5 bed detached	
LEINSTER	Meath	€132	9.0%	€168	7.0%	€233	6.0%	€451	7.0%	€434	-1.0%
	Kildare	€141	9.0%	€181	8.0%	€250	6.0%	€486	7.0%	€467	0.0%
	Wicklow	€176	10.0%	€225	9.0%	€311	7.0%	€604	9.0%	€580	1.0%
	Louth	€120	12.0%	€153	11.0%	€212	9.0%	€412	10.0%	€396	3.0%
	Longford	€72	13.0%	€91	11.0%	€127	10.0%	€246	11.0%	€236	3.0%
	Offaly	€100	11.0%	€127	10.0%	€176	9.0%	€342	10.0%	€328	2.0%
	Westmeath	€108	10.0%	€138	9.0%	€192	8.0%	€372	9.0%	€357	1.0%
	Laois	€101	12.0%	€129	11.0%	€178	9.0%	€346	10.0%	€332	2.0%
	Carlow	€103	13.0%	€132	12.0%	€183	10.0%	€354	12.0%	€340	4.0%
	Kilkenny	€115	13.0%	€147	12.0%	€204	10.0%	€396	11.0%	€380	3.0%
Wexford	€107	12.0%	€137	10.0%	€190	9.0%	€368	10.0%	€354	2.0%	
MUNSTER	Waterford Co	€122	16.0%	€148	15.0%	€204	8.0%	€377	9.0%	€368	1.0%
	Kerry	€104	18.0%	€126	18.0%	€174	11.0%	€321	11.0%	€314	3.0%
	Cork Co	€115	13.0%	€139	13.0%	€192	6.0%	€354	6.0%	€346	-2.0%
	Clare	€99	14.0%	€120	13.0%	€166	6.0%	€306	6.0%	€299	-1.0%
	Limerick Co	€92	15.0%	€111	14.0%	€153	7.0%	€283	8.0%	€277	0.0%
Tipperary	€94	15.0%	€114	14.0%	€157	8.0%	€290	8.0%	€283	0.0%	
CONNACHT	Galway Co	€96	12.0%	€118	13.0%	€163	9.0%	€304	6.0%	€293	1.0%
	Mayo	€82	12.0%	€101	13.0%	€139	9.0%	€260	6.0%	€250	1.0%
	Roscommon	€74	18.0%	€91	19.0%	€125	15.0%	€234	12.0%	€225	6.0%
	Sligo	€82	14.0%	€101	15.0%	€140	11.0%	€261	8.0%	€251	3.0%
	Leitrim	€70	14.0%	€87	16.0%	€120	11.0%	€223	8.0%	€215	3.0%
ULSTER	Donegal	€77	15.0%	€95	16.0%	€131	12.0%	€244	9.0%	€235	3.0%
	Cavan	€78	15.0%	€95	16.0%	€132	12.0%	€246	9.0%	€237	3.0%
	Monaghan	€88	7.0%	€108	9.0%	€149	5.0%	€278	2.0%	€267	-3.0%

Dublin

Inflation moderates again



0.4% fall in Q4

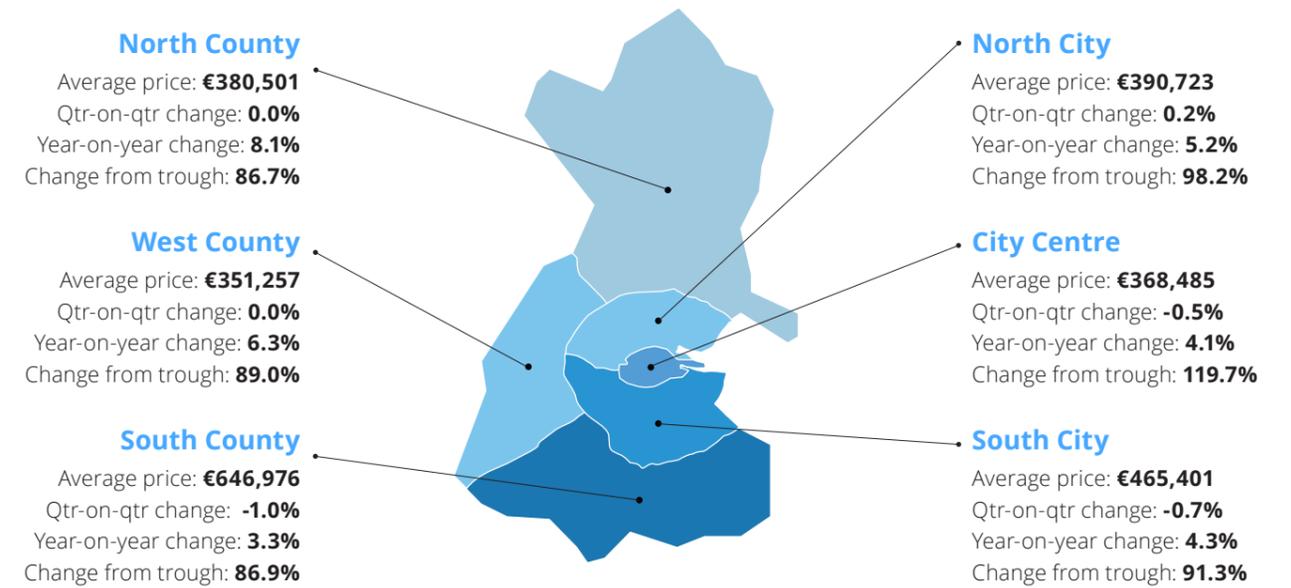
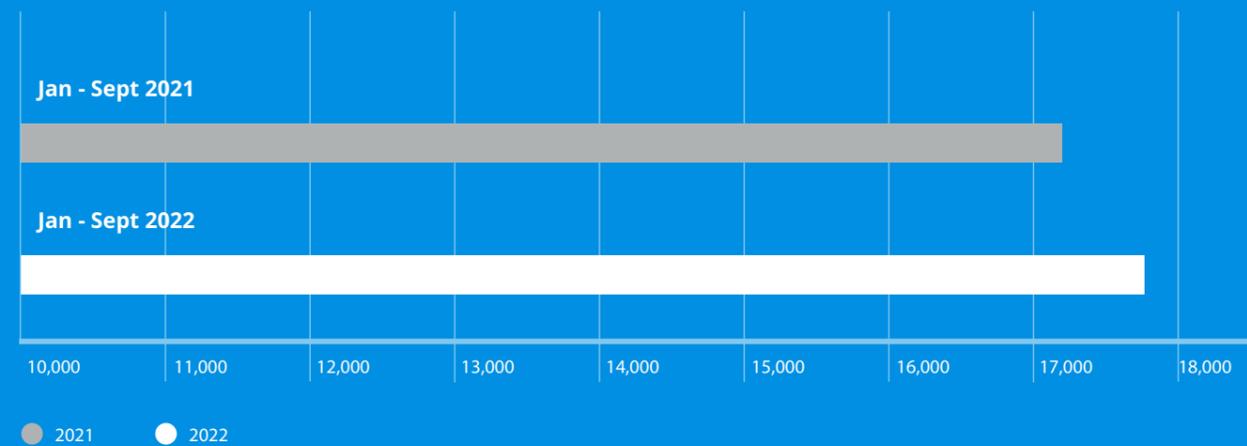
Across Dublin, listed prices fell by an average of 0.4% between September and December, although this average hides differences between north/west Dublin (where prices were stable) and elsewhere.



5.0% annual rise

Compared to a year ago, prices in Dublin in the final quarter of 2022 were up on average 5%.

Number of residential property transactions



Supply up a third

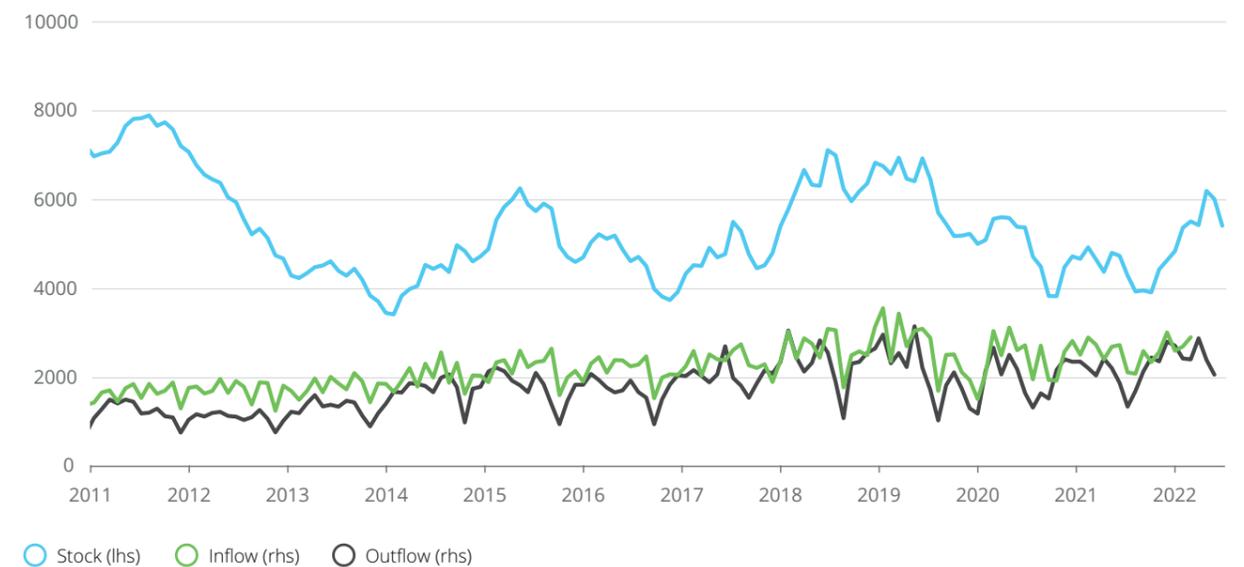
There were just over 4,000 homes for sale in Dublin on December 1st, up 32% from the 3,050 on the same date a year ago.

+3%

Transactions up 3%

There was a 3% increase in the number of transactions in Dublin in the year to September 2022 than a year earlier: 17,842 compared to 17,370.

Dublin Stock Flow Figures 2022 Q4



Leinster

Inflation at 2-year low



Prices stable in Q4

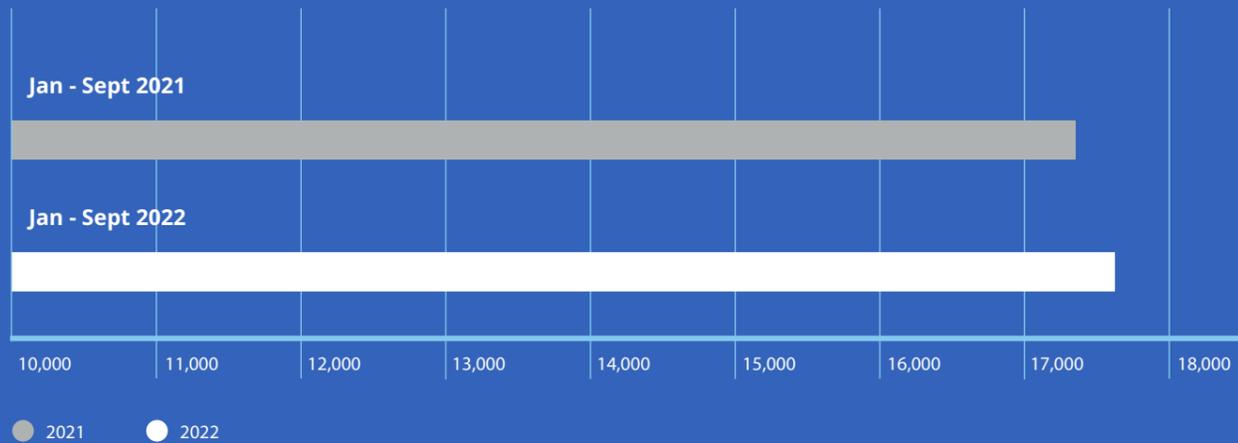
Listed prices in Leinster (outside Dublin) were stable in the final quarter of 2022, the first time since mid-2020 that prices didn't rise in the region. quarters.



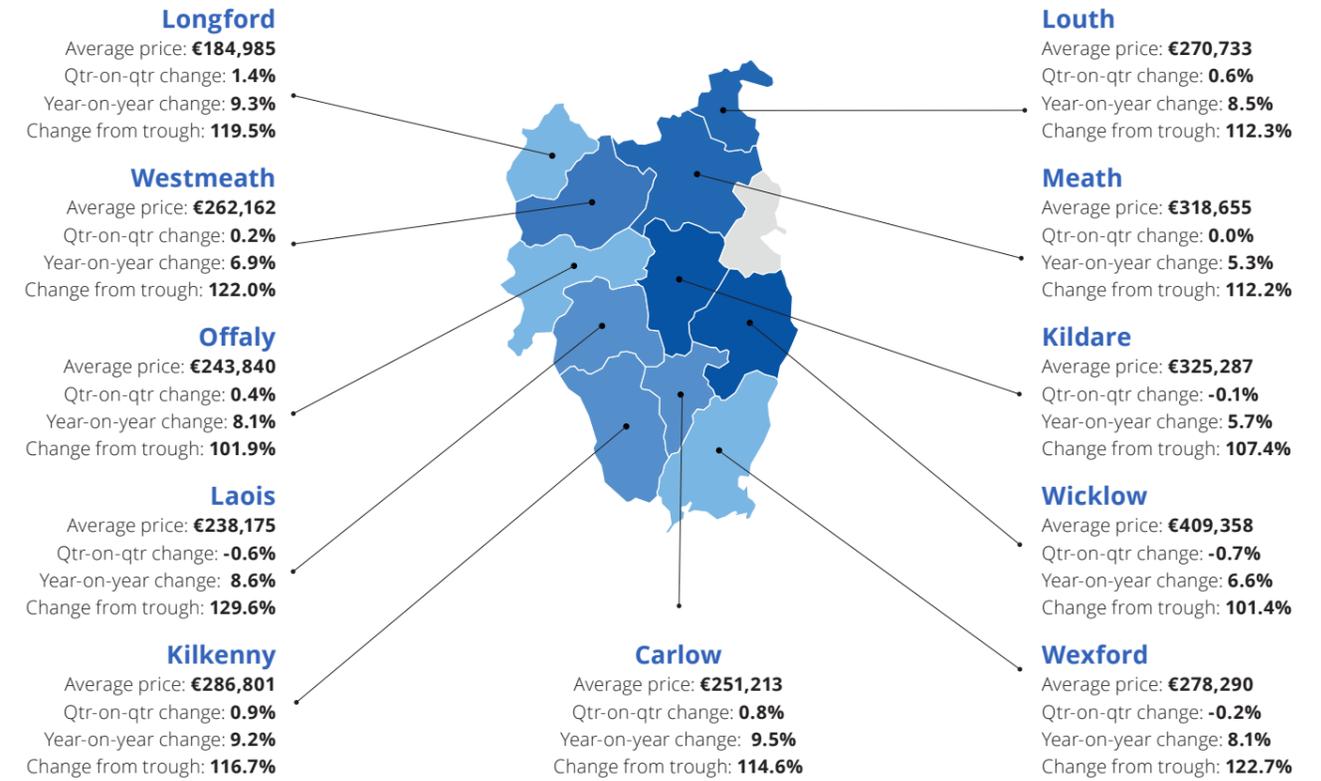
7.1% year-on-year

Compared to a year ago, prices in Leinster in the final quarter of 2022 were up on average 7.1% - down from a peak of 16% in mid-2021.

Number of residential property transactions



● 2021 ● 2022



Supply up by a half

There were almost 4,000 properties on the market in Leinster (outside Dublin) on December 1, up 51% from 2,650 on the same date a year ago.

+1%

Transactions up 1%

There was a 1% increase in the number of transactions in Leinster (outside Dublin) in the year to September 2022 than a year earlier: just over 17,600 compared to 17,424.

Leinster Stock Flow Figures 2022 Q4



Munster

Munster prices down 1%



1.1% quarterly decrease

Across Munster, listed prices dropped by an average of 1.1% between September and December - the second quarter of prices falls in a row.



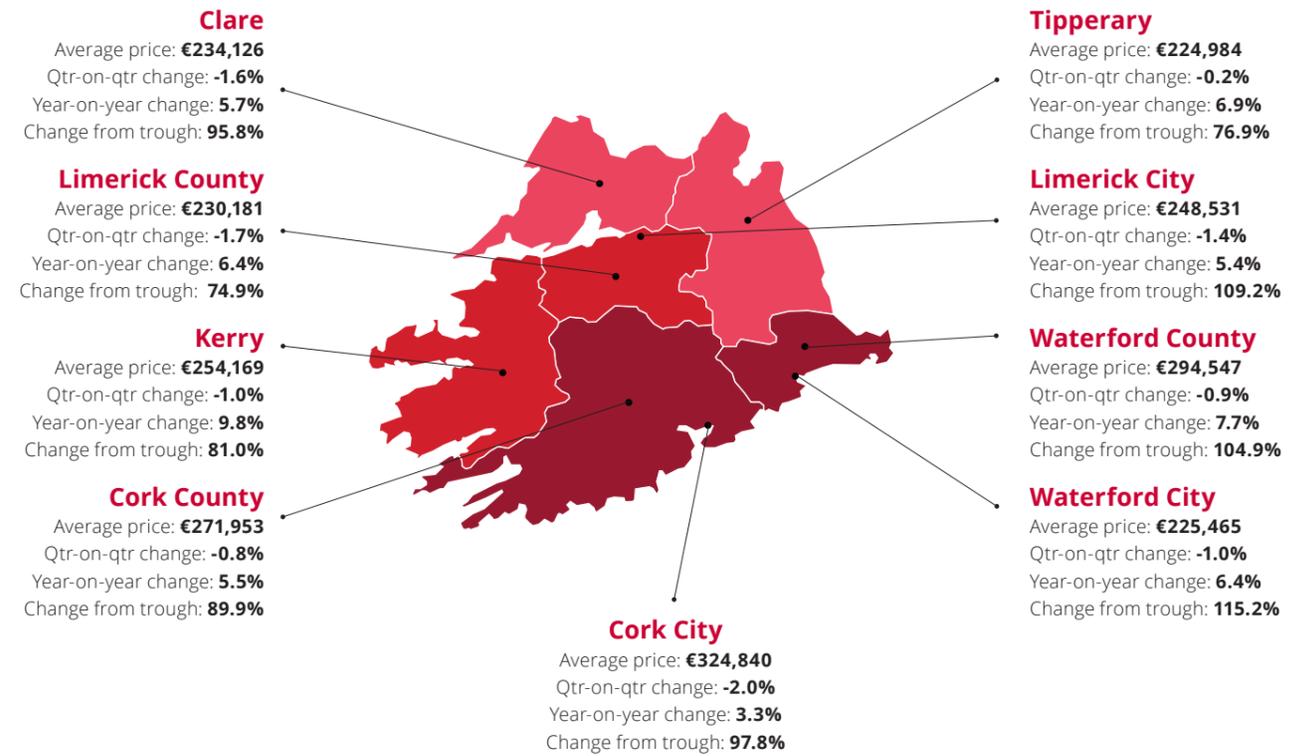
Up 6% year-on-year

Despite the quarter falls, prices in Munster are 6% higher than a year ago - although this is down from a peak inflation rate of 17% in mid-2021.

Number of residential property transactions



● 2021 ● 2022



Supply up 20%

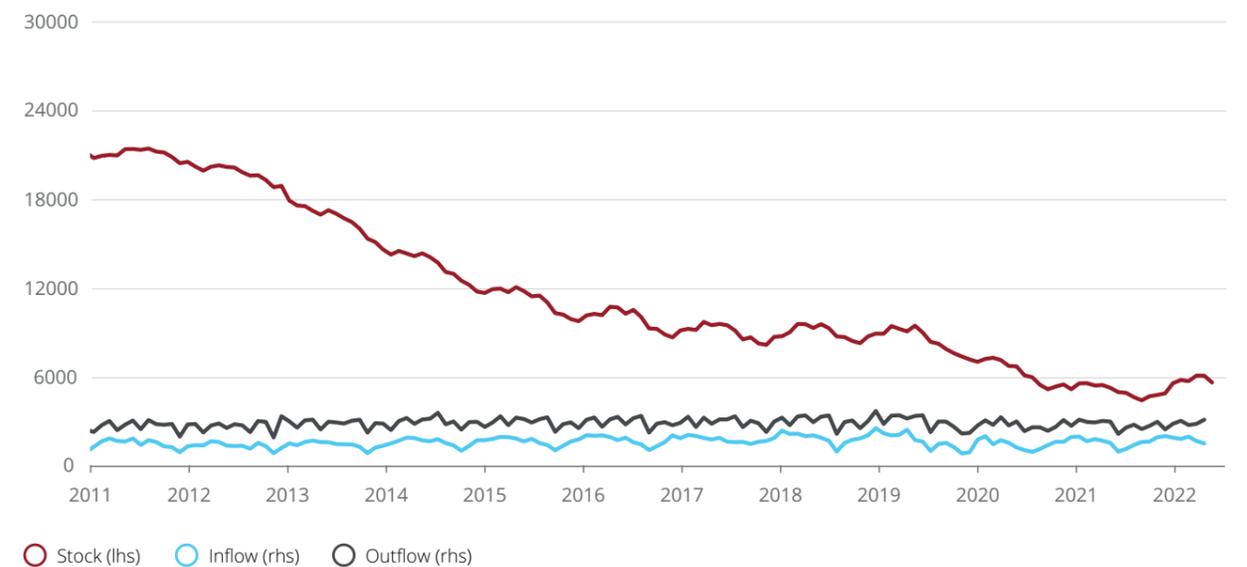
There were almost 4,100 properties on the market in Munster on December 1st, up 19% from slightly above 3,400 on the same date a year ago.

+2%

Transactions up 2%

There was a 2% increase in the number of transactions in Munster in the year to September 2022 than a year earlier: nearly 15,100 compared to 14,800.

Munster Stock Flow Figures 2022 Q4



Connacht/Ulster

Small Q4 rise



0.3% increase in 3 months

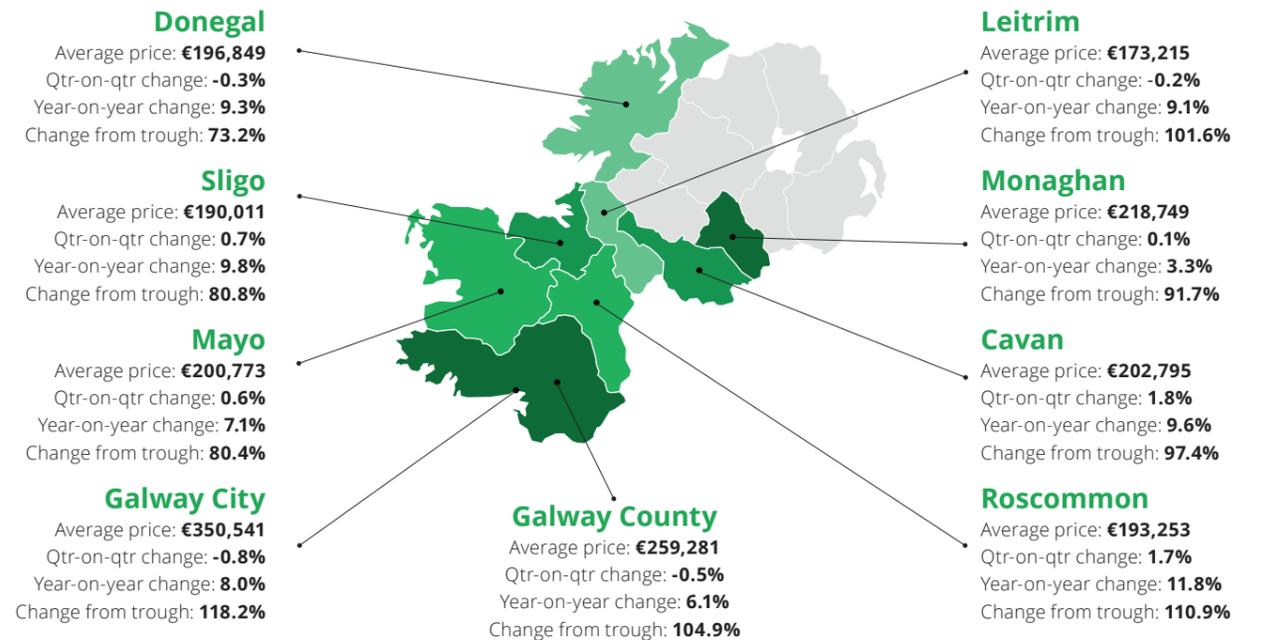
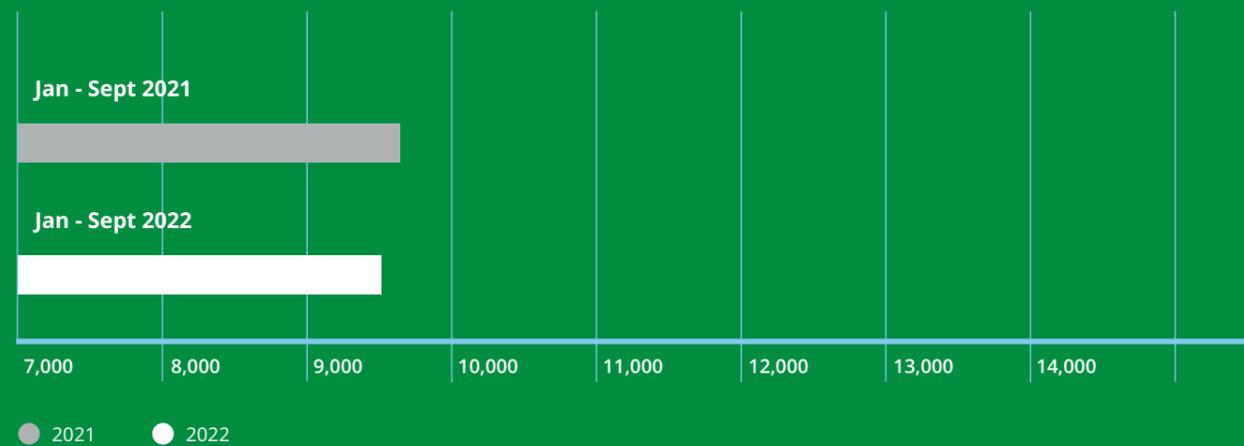
Having fallen by 0.9% in the third quarter of the year, listed prices across Connacht and Ulster rose by an average of 0.3% in the final three months of the year.



Up 8% year-on-year

Compared to a year ago, listed prices in Connacht-Ulster are 7.8% higher - down from a peak inflation rate of 17% in early 2022.

Number of residential property transactions



Supply up one third

There were almost 3,100 homes on the market in Connacht-Ulster on December 1st, up 31% from less than 2,400 on the same date a year ago.

-2%

Transactions down 2%

There were 2% fewer transactions in Connacht-Ulster in the year to September 2022 than a year earlier: 9,600 compared to almost 9,800.

Connacht/Ulster Stock Flow Figures 2022 Q4



Over the last 20 years, Daft.ie has collected a vast amount of data on the Irish property market. In 2018 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 House Price Report, the partner to the Daft.ie Rental Report, which will be issued next month. 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 already 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 monthly sample size for sale properties is 5,000. Indices are based on standard methods, holding the mix of characteristics constant, with the annual average of 2012 used as the base.

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 Rental Report 2022 Q4

The Daft.ie Rental Report will be published in May and will include a review of the performance of Ireland's rental market, plus all the usual indices, snapshots, trends and rental yield analysis, providing analysts, tenants, landlords, students and the public with the most up-to-date information on Ireland's rental market.

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