

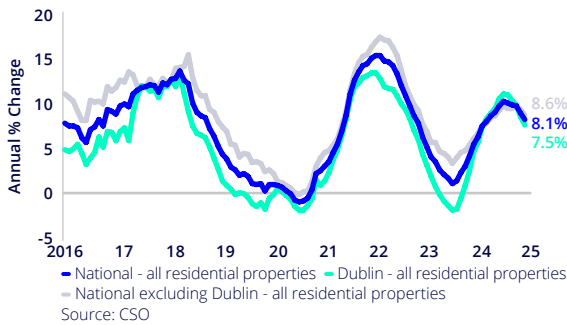
Housing Update

March 2025

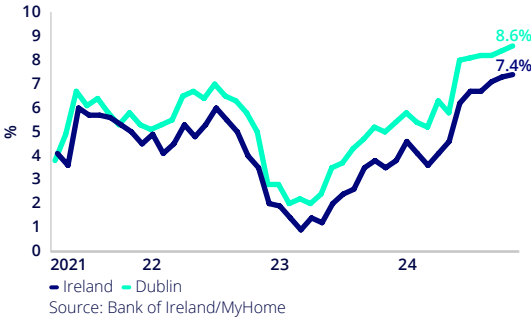


Pricing

House Prices



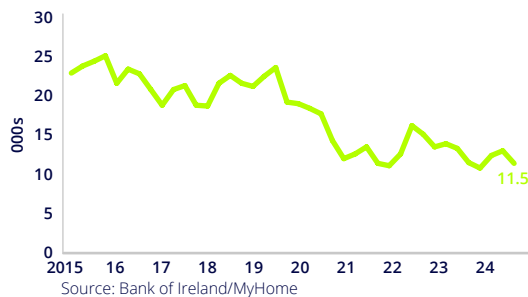
Median Gap between Asking and Transaction Price



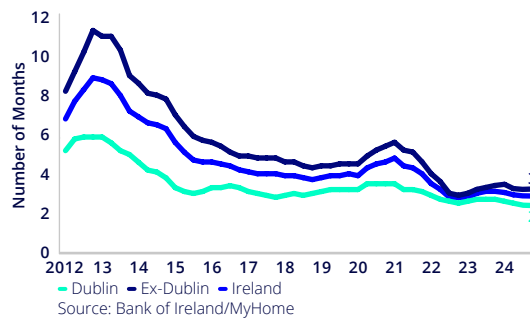
- Residential property prices increased by 8.1% year-on-year (y-o-y) in January 2025.
- Prices in Dublin rose by 7.5% and outside Dublin by 8.6%.
- MyHome data shows asking prices increased by 8.4% year-on-year in Q4, implying continued house prices gains into 2025.
- The market is tight and the median gap between asking price and sale agreed has risen to over 7% with one in seven homes selling for at least 20% over asking.

Housing Availability

Stock of Properties Listed for Sale



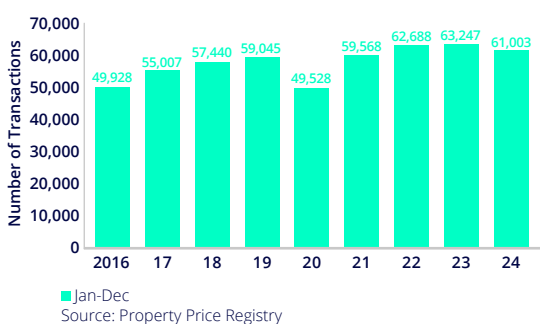
Average Time to Sale Agreed (Rolling 4-Quarter Average)



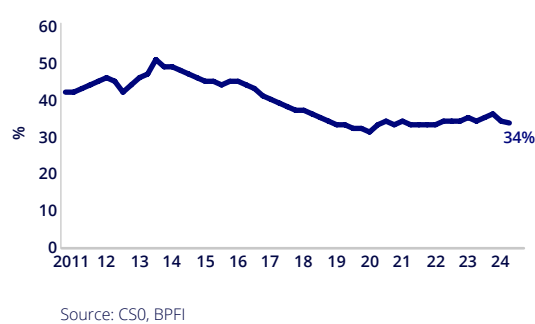
- The number of properties listed for sale on MyHome was 11,500 in December, near historic lows and also reflecting the usual winter trough.
- Well down on the levels above 20,000 pre-pandemic.
- Property is selling at an exceptionally quick pace.
- Average time to sale agreed is 12 weeks in Q4, close to all time lows.
- Some signs more stock is coming to market with MyHome data showing new instructions for sale were up 12.5% year-on-year in Q4.

Transactions

Residential Property Transactions



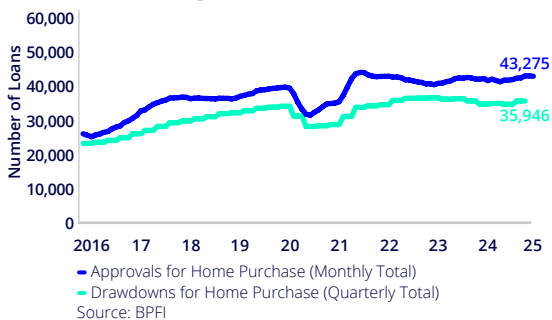
Estimated % of Cash Buyers (Households Only)



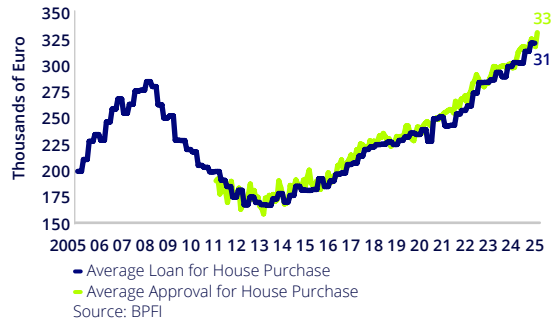
- Limited stock for sale is hampering activity, despite robust demand.
- There were about 61,000 transactions in 2024, down about 3% from 2023.
- A lack of property for sale is holding back the market, particularly amongst movers.
- Cash buyers have been relatively steady in recent quarters and account for around one in three household purchases.

Mortgage Market

Mortgage Approvals and Drawdowns for Home Purchase (Rolling 12 Month and 4 Quarter Total)



Average Mortgage Drawdown and Approval for House Purchase



- 3,420 mortgages approved in February 2025, down 4.5% year-on-year.
- Both FTB and mover purchaser approval volumes were weaker in Jan/Feb. Activity in the early part of the year is often slower ahead of the busier spring/summer period. Average approval for house purchase was €331,400 in February, up about 11% year-on-year.
- A poor H1 2024 meant there were 43,030 drawdowns last year, down 1.3% on the year. FTB drawdowns were up 2.5% but movers were weak, down 6.3%. Both FTB (+10.8%) and movers (+7.2%) drawdowns were up year-on-year in Q4 with buy-to-let and switching also increasing.

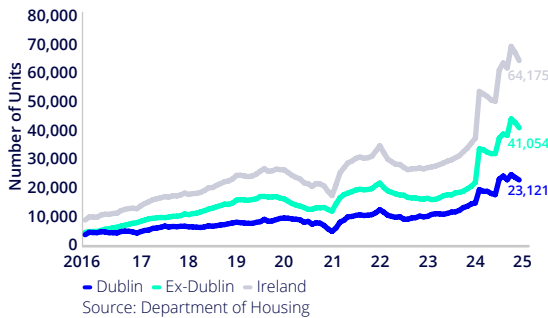
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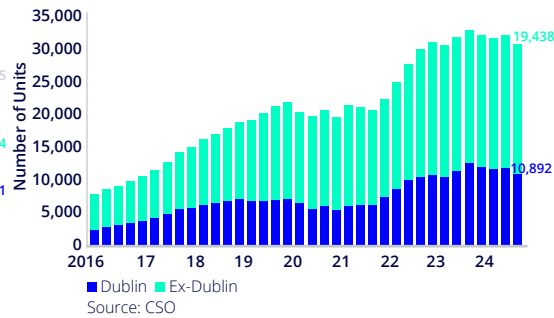


Residential Construction Activity

Housing Starts (Rolling 12-Month Total)



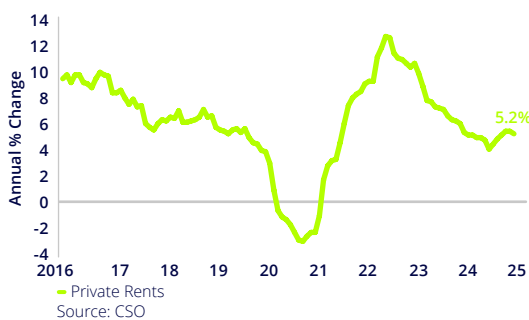
Housing Completions (Rolling 4-Quarter Total)



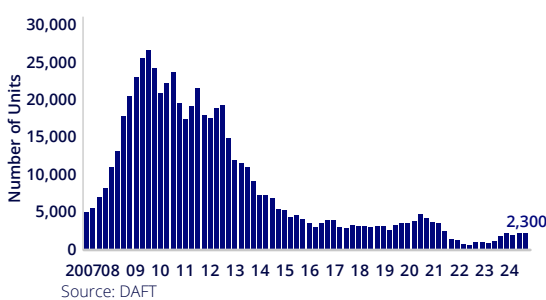
- 30,330 new dwelling completions in 2024, down 7% on 2023.
- Completions were impacted by a fall in apartment completions, down 24% last year, while house completions were up 3%.
- Revised data shows there was 69,060 starts in 2024, approximately double the number in 2023.
- Starts in April and September were inflated by planned expiries of waivers on development and water levies. The completion of these units is not clear, but builds have to be completed by end 2026 to avail of the waivers.
- Expect completions to rise to mid 40,000's by 2026.

Rental Market

Rents



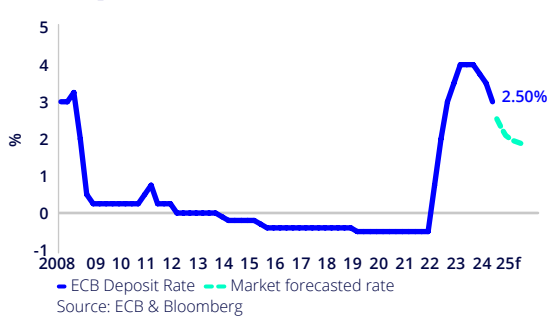
Available Rental Stock



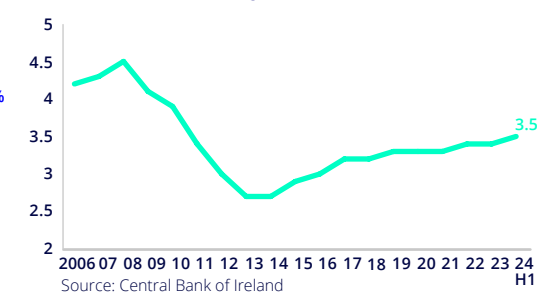
- Rental inflation inched down to an annual rate of 5.2% in February, from 5.4% in January.
- The rental market remains very tight with limited supply of new rental homes.
- Stock for rent is increasing slightly, but remains at low levels compared to demand. DAFT.ie data shows just 2,300 homes for rent in the final quarter of 2024.

Affordability

ECB Deposit Rate



Median First Time Buyer's Loan-to Income Ratio



- The ECB cut rates again at their March meeting, by 25bps, taking the deposit rate to 2.5% and the main refinancing rate to 2.65%. The ECB has now cut rates by a cumulative 150bps since the start of last summer.
- With growth prospects improving in Europe, with the prospect of increased spending on defence and infrastructure, the ECB may slow its easing cycle.
- Markets continue to price in a 25bps at either the April or May meeting, but then just one further 25bps cut later in the year.
- First time buyers have an increasing appetite for credit with central bank data show the median first time buyer's loan-to-income ratio rose to 3.5% in H1 2024.

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