

STRONG START TO YEAR BUT COVID-19 PANDEMIC NOW IMPACTING ALL SECTORS OF THE RESIDENTIAL MARKET

Ireland's leading property advisory firm, DNG, today released its Q1 2020 Residential Market Review which shows that residential property prices in Dublin rose marginally during the first three months of the year, on the back of strong activity levels early in the new year. However, the report notes that the Covid-19 outbreak in recent weeks has effectively stalled the residential property market in its tracks, but it is too early to judge the overall impact the pandemic will have on the market, the firm says.

The report finds that residential property prices in Dublin remained relatively stable during the first quarter, with the average price of a resale home in the capital rising by 0.4%, whilst the average price of an apartment rose by 0.6%. The DNG House Price Gauge, which measures resale property prices across the capital, shows that price pressure remained strongest at the entry level to the market with prices below €300,000 recording growth of 0.8% in Q1 whereas properties valued above €500,000 saw a more modest rise of 0.3% over the period. In the capital's apartment market, one-bedroom properties saw values rise by 1% on average in Q1, whilst larger three-bedroom apartments saw an average price decline of 0.1%.

An analysis of vendors who sold property with the firm during the first quarter shows that one in four of all sales were investors offloading rental properties as the exodus of the small landlord from the market continues in the capital where values have recovered most since the downturn. Early in the quarter there were signs of a healthy market as 19% of vendors were selling in order to trade up, however only 9% of sales were vendors trading down to smaller properties.

Commenting on the latest results, Paul Murgatroyd, Director of Research with DNG said, *"Never has the picture in the rear view and front view mirrors of the property market looked so different than at the present time, and like virtually all sectors of the economy, activity levels have been negatively impacted in recent weeks. The pause button has been pressed despite the higher levels of activity in January and February"*. Murgatroyd further added *"It is unclear what effect the outbreak will have on prices in the short term but much slower than forecast economic growth and the recent jump in unemployment can only be detrimental to the market. It will be the end of the second quarter and into the third quarter of the year before the full impact on the market can be assessed, and will largely depend on how quickly the economy can recover in the post-pandemic period"*

Speaking about the report, Chief Executive of DNG Keith Lowe stated, *"our data shows that the market was moving up a gear just as the handbrake was applied by the spread of the coronavirus"*

and the necessary but severe restrictions it has forced upon on every sector of society and the economy at the present time. It has changed the way all businesses operate but the early signs are that potential buyers remain very active in the market. They are engaging with us through our online enquiry channels and using our 3D Virtual Tours whilst potential vendors are availing of our free remote valuation service so there are hopes that a normal market can resume quickly in the aftermath of the crisis”

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ABOUT THE DNG RESIDENTIAL MARKET REVIEW:

The DNG Residential Market Review includes the DNG House Price Gauge and Apartment Price Gauge for Dublin. The DNG House Price Gauge measures movements in house prices across Dublin using a sample basket of properties which are revalued on a quarterly basis. The DNG Apartment Price Gauge measures the movement in apartment prices in Dublin on a quarterly basis using the same methodology.

ABOUT DNG:

The DNG Group is a multi-disciplinary property advisory practice based in the capital. We are Ireland’s premier agency with a branch network which extends to 80 branded offices located in virtually every major city and town in the country. DNG is one of the largest sellers of residential property and new homes schemes in Ireland.

Our national franchise network contains some of the best agents in the business offering their superb local expertise with the backing of Ireland’s premier property brand.

DNG are members of the Society of Chartered Surveyors Ireland and the Institute of Professional Auctioneers and Valuers and work to its strict codes and standards.