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INTRODUCTION

By Keith Lowe, Chief Executive

Within the first 5 days of re-opening we set up over 2,100 viewing appointments in Dublin alone, approximately twice the normal number when compared to a pre-Covid week.

DNG re-opened its office network on the 8th June following 12 weeks of lockdown, an unprecedented time for our business, the property industry and wider economy, but what met us on our return was also somewhat unforeseen, with the level of pent up demand from viewers far exceeding our expectations. Within the first 5 days of re-opening we set up over 2,100 appointments in Dublin alone, approximately twice the normal number when compared to a pre-Covid week and our agents nationwide reported similar levels of interest across the country. Perhaps more importantly, the heightened levels of interest also resulted in a larger than normal number of new offers and sales transactions followed at a similar rate.

It was as if Ireland had closed down for 3 months yet had returned to normal within 24 hours of our re-opening. However, it would be remiss to suggest that everything has returned to normal as if Covid-19 had never existed or had simply gone away, and unfortunately we know that many people have experienced terrible loss and severe financial hardship as a result of the global pandemic. Close to 850,000 people are in receipt of the Pandemic Unemployment Payment or benefitting from the Temporary Wage Subsidy Scheme, which will no doubt delay some peoples’ decision to buy. However, the pent-up demand of buyers I am referring to above, seems not to be affected as yet, with these potential buyers having either cash or workable loan approvals to complete their purchases.

So, who is moving home at the current time? Some homeowners, having been in lockdown for 12 weeks now, realise the homes they own do not suit their current requirements. Other families, for example those living in apartments, have decided to move to a house as they now value private garden space more highly than before the pandemic. Equally, some people in larger houses now realise that their properties are too big, and they are looking for more manageable sized properties that better suit their current needs. We have also noted a number of Irish families living in the UK who wish to return to Ireland as they have more confidence in the leadership within Ireland during the C-19 pandemic.

From research that DNG carried out during the period of closure it was apparent that prices had readjusted downwards in the order of 5% during that period. There is no question that this downward trend has been reversed somewhat since our resumption of business activities and that
prices now stand close to pre Covid-19 level prices, and in some cases higher. This is happening because the level of supply in the market is significantly lower than at the same time last year, with 18% fewer homes currently available for sale.

Essentially the country lost an entire three months of second-hand houses coming for sale with many people who were /are self-isolating or cocooning delaying their decision to move home. New homes developments were also closed for a prolonged period, which led to fewer completed new homes on the market for sale also. It is likely that 15,000 new homes will be completed this year, which will be down over 6,000 on last year. This is also likely to lead to a better outcome for property prices in the short term as less stock will be available on the open market.

Whilst the DNG HPG has recorded an average fall in the price of a residential property of 2.4% in Dublin over the last three months, it would now appear that this may well reverse in the third quarter. Nonetheless, we remain in a period of heightened uncertainty, making it very challenging to accurately predict future price changes in the market.

Finally, it is very welcome to see the formation of a new government in recent weeks, and their firm commitment to housing of all tenure types as outlined in the Programme For Government. Strong leadership and sound decision making will be critically important in the months ahead, in order to restart the economy whilst at the same time protecting public health. People will always need a place to live and there is no doubt that future policy decisions have to potential to deliver the housing solutions required to benefit all sectors of society over the lifetime of the government, we hope the new government will grasp and deliver on this challenge over the next few years.
DNG HOUSE PRICE GAUGE

KEY FINDINGS

• Lockdown leads to a small decrease in the average price of a second-hand home in the Capital during Q2 with prices falling by 2.4% on average

• Pent up demand evident at the end of the quarter as market activity resumed. Strong demand at entry level to the market amongst first time buyers

• Prices for all property types and at all price levels of the market affected during the three months to June

• On an annualised basis, prices were 3% lower than twelve months previous

• The average price of a resale residential property stands at €441,223.

The DNG House Price Gauge (HPG) analyses the movement of house prices across Dublin. The HPG measures the change in value of a representative sample of residential dwellings across Dublin on a quarterly basis. Price movements in different areas (North, South and West Dublin) and across different price brackets are also recorded by the HPG.
The latest results of the DNG House Price Gauge (HPG) for Dublin show that prices fell marginally during the second quarter of the year with the HPG recording a decrease in the average price of a resale property of 2.4% in the capital. Prices had been largely stable over the previous two quarters following a small decline in the third quarter 2019.

### TABLE 1 Q2 2020

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Dublin Second Hand Price</td>
<td>€441,223</td>
</tr>
<tr>
<td>Percentage Change Q2 2020</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Annual Percentage Change</td>
<td>-3.0%</td>
</tr>
<tr>
<td>% Change Since Low (Q2 2012)</td>
<td>82.2%</td>
</tr>
<tr>
<td>% Change From Peak (Q3 2006)</td>
<td>-38.4%</td>
</tr>
</tbody>
</table>
ANNUAL RESULTS

On an annualised basis, the average price of a resale property in the capital fell by 3.0% in the twelve months to June 2020. The pace of decrease in the average price of a home in the capital picked up slightly compared to the year to March where prices had decreased by 0.7%.

The latest results of the HPG record the average price of a resale residential property in the capital at €441,223, down from €454,867 a year ago. Residential property prices have risen 82% since the low point of the market in 2012 but remain 38% below their previous peak, recorded in 2006.

“residential property prices in the capital have remained broadly stable over the last two years with an average price of €450,000”
DNG HOUSE PRICE GAUGE

PRICE CHANGES BY LOCATION

The DNG HPG records the change in the average price of a residential property according to location within Dublin.

The average price of a resale property decreased across the capital in the second quarter of the year as shown in table 2. The smallest rate of decline was recorded in west Dublin where prices fell by 1.4% in the three months to June and by -1.8% on an annualised basis.

South Dublin saw a larger decline in values in the second quarter as prices fell by 2.7%, and by -3.7% in the year to June. North Dublin was more in line with the overall average on the HPG with a reduction in the average price of 2.4%.

PRICE CHANGES BY PRICE BRACKET

The DNG HPG measures the movement in prices for different price brackets of property within the sample as shown in table 3 below.

<table>
<thead>
<tr>
<th></th>
<th>Q2 2020</th>
<th>Annual % Change</th>
<th>From Peak (Q3 2006)</th>
<th>From Low (Q2 2012)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to €300,000</td>
<td>-1.8%</td>
<td>-1.8%</td>
<td>-30.6%</td>
<td>123.1%</td>
</tr>
<tr>
<td>€301,000 to €500,000</td>
<td>-2.1%</td>
<td>-2.9%</td>
<td>-28.7%</td>
<td>84.5%</td>
</tr>
<tr>
<td>Over €500,000</td>
<td>-2.8%</td>
<td>-3.5%</td>
<td>-46.7%</td>
<td>68.3%</td>
</tr>
</tbody>
</table>

Robust demand at the entry level to the market meant that prices of properties valued up to €300,000 saw a smaller reduction in value during Q2 (-1.8%) compared to more expensive homes as shown in table 3. The same was true over the course of the year to June, with prices below €300,000 declining by 1.8% whereas those homes valued over €500,000 saw a decline of 3.5% in the year to June.
DNG HPG & CSO RPPI DUBLIN

Figures 3 and 4 below show the quarterly change and annual change in Dublin residential property prices, as measured by both the DNG HPG and the CSO Residential Property Price Index (RPPI) for all Dublin residential property.

Both the DNG House Price Gauge and the CSO Residential Property Price Index for Dublin have recorded remarkably similar patterns in recent quarters, albeit with some variance across the two measures in any given quarter. The latest available figures from the CSO (3 months to April 2020) show a smaller decline in prices compared to the full quarter results recorded on the House Price Gauge. Both indices have recorded a range of price changes each quarter of between +2 and -2 % since the latter half of 2017.

Note – The CSO data reported above in the period Q2 2020 relates to the 3 months to April 2020 only. The latest available data at time of writing
Source: DNG Research, CSO
## ANNUAL PERCENTAGE CHANGE IN DUBLIN RESALE PROPERTY PRICES

<table>
<thead>
<tr>
<th>Year</th>
<th>Change second hand house price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>▼ -3.5%</td>
</tr>
<tr>
<td>2002</td>
<td>▲ +21.2%</td>
</tr>
<tr>
<td>2003</td>
<td>▲ +9.5%</td>
</tr>
<tr>
<td>2004</td>
<td>▲ +13.0%</td>
</tr>
<tr>
<td>2005</td>
<td>▲ +22.0%</td>
</tr>
<tr>
<td>2006</td>
<td>▲ +19.0%</td>
</tr>
<tr>
<td>2007</td>
<td>▼ -11.3%</td>
</tr>
<tr>
<td>2008</td>
<td>▼ -21.5%</td>
</tr>
<tr>
<td>2009</td>
<td>▼ -24.2%</td>
</tr>
<tr>
<td>2010</td>
<td>▼ -15.1%</td>
</tr>
<tr>
<td>2011</td>
<td>▼ -20.0%</td>
</tr>
<tr>
<td>2012</td>
<td>▲ +2.2%</td>
</tr>
<tr>
<td>2013</td>
<td>▲ +17.7%</td>
</tr>
<tr>
<td>2014</td>
<td>▲ +23.5%</td>
</tr>
<tr>
<td>2015</td>
<td>▲ +0.7%</td>
</tr>
<tr>
<td>2016</td>
<td>▲ +5.9%</td>
</tr>
<tr>
<td>2017</td>
<td>▲ +10.9%</td>
</tr>
<tr>
<td>2018</td>
<td>▲ +2.8%</td>
</tr>
<tr>
<td>2019</td>
<td>▼ -1.1%</td>
</tr>
</tbody>
</table>

Source: DNG Research
The DNG Apartment Price Gauge (APG) analyses the movement of apartment prices across Dublin. The APG measures the change in value of a representative sample of apartment dwellings across Dublin on a quarterly basis. Within the Dublin apartment market, the APG will analyse price movements in different areas (Central, North, South and West) and by the number of bedrooms the property contains.

**HEADLINE RESULTS**

€319,949  
AVE. PRICE OF AN APARTMENT IN DUBLIN

-3.0%  
% CHANGE Q2 2020

-3.2%  
ANNUAL PERCENTAGE CHANGE
QUARTERLY RESULTS

The average price of a resale apartment in the capital declined by 3% in the second quarter, following a slight increase in value during quarter one as shown in figure 6. The latest quarterly decline in apartment values is somewhat in contrast to the previous eight quarters when prices increased marginally except, in one quarter, as recorded by the DNG Apartment Price Gauge.

FIGURE 6. QUARTERLY PERCENTAGE CHANGE IN DUBLIN APARTMENT PRICES

Source: DNG Research

ANNUAL PERCENTAGE CHANGE

As shown in figure 7, the average price of an apartment in the capital fell by 3.2% in the year to June, having remained relatively unchanged on an annualised basis over the course of the previous two years.

FIGURE 7. ANNUAL PERCENTAGE CHANGE IN DUBLIN APARTMENT PRICES

Source: DNG Research
PRICE CHANGES BY LOCATION

As part of the DNG APG series, prices in the apartment market are analysed by geographical location across Dublin. Table 4 shows the rate of change in prices over the last three and last twelve months.

<table>
<thead>
<tr>
<th>By Area</th>
<th>% Change Q2 2020</th>
<th>Annual Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central</td>
<td>-1.8%</td>
<td>-1.6%</td>
</tr>
<tr>
<td>North Dublin</td>
<td>-5.5%</td>
<td>-5.2%</td>
</tr>
<tr>
<td>South Dublin</td>
<td>-2.9%</td>
<td>-3.7%</td>
</tr>
<tr>
<td>West Dublin</td>
<td>-2.7%</td>
<td>-2.0%</td>
</tr>
</tbody>
</table>

Apartments in Central Dublin saw a more modest decline in values during the second quarter (-1.8%) compared to all other areas. The largest decline in values was seen in North Dublin in Q2 (-5.5%) whilst South and West Dublin recorded falls more in line with the overall Apartment Price Gauge average. The same was true in the twelve months to June as shown in table 4.

PRICE CHANGES BY NUMBER OF BEDROOMS

The results of the DNG APG are analysed based on the price movements of apartments, as defined by the number of bedrooms the property contains. The results are for the whole Dublin area covered by the APG.

<table>
<thead>
<tr>
<th>By No. Bedrooms</th>
<th>% Change Q2 2020</th>
<th>Annual Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>One bedroom apartment</td>
<td>-3.4%</td>
<td>-2.9%</td>
</tr>
<tr>
<td>Two bedroom apartment</td>
<td>-2.7%</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Three bedroom apartment</td>
<td>-4.3%</td>
<td>-4.5%</td>
</tr>
</tbody>
</table>

All apartments, irrespective of the number of bedrooms the property contained, saw a decline in values during the second quarter. Larger apartments with three bedrooms saw the largest decline in values (-4.3%) in Q2 and -4.5% in the year to June, whilst one-bedroom apartments saw a smaller decline of -2.9% during the course of the previous twelve months.

DNG APG & CSO RPPI DUBLIN APARTMENTS

There has been marked quarterly variance between the DNG Apartment Price Gauge and the CSO Residential Property Price Index for Dublin apartments over the last year as shown in figure 8. The DNG APG has seen relatively stable values with little change recorded over the last twelve months however the CSO Price Index has seen wider quarterly swings in its results.

However, on an annualised basis (as shown in figure 9), both measures of apartment prices show a similar trend over the last two years. The latest available CSO data to the end of April has shown a smaller percentage change in prices over the previous three months that the DNG APG record in Q2, but the trend is currently downward and when full Q2 results are available from the CSO in August it is likely that apartment values will have decreased on an annualised basis too.
FIGURE 8. QUARTERLY PERCENTAGE CHANGE IN DUBLIN APARTMENT PRICES

Note – The CSO data reported above in the period Q2 2020 relates to the 3 months to April 2020 only. The latest available data at time of writing.
Source: DNG Research and CSO.

FIGURE 9. ANNUAL PERCENTAGE CHANGE IN DUBLIN APARTMENT PRICES

Note – The CSO data reported above in the period Q2 2019 - Q2 2020 relates to the 12 months to April 2020. The latest available data at time of writing.
Source: DNG Research and CSO
An analysis of purchasers during the first six months of 2020 reveals that First Time Buyers remained highly active in the market, accounting for 54% of purchases of resale properties. 23% of purchasers were trading up in the market whilst only 4% were trading down. Investor demand was less significant at 10% of purchase transactions. The purchase of residential properties as additional homes or for a child or other family member accounted for the majority of other purchasers.
PURCHASER FUNDING

An analysis of funding sources used by DNG purchasers when buying residential property during the first half of the year shows the vast majority required mortgage funding to finance their properties (75%) whilst 17% were classed as cash buyers.
The DNG National Price Gauge (NPG) measures the movement in prices of residential property across the country. The results are aggregated at the NUTS III statistical level which comprises seven regions within Ireland excluding the Dublin Region (Border, West, Mid-West, Midlands, Mid East, South East and South West).

The DNG NPG measures the movement in prices of a representative sample of properties drawn from all areas of the country excluding the Dublin region. The sample properties are revalued half yearly in June and December and results are aggregated by property type and by the number of bedrooms the property has.

€ 210,258
AVERAGE PRICE JUNE 2020

-1.5%
% CHANGE IN PRICE H1 2020

-1.3%
ANNUAL % CHANGE

FIGURE 12. HALF YEARLY PERCENTAGE CHANGE IN NATIONAL PRICES (EX DUBLIN)
Nationally (excl. Dublin), in the six months to the end of June 2020 the average price of a resale property fell by 1.5% according to the DNG National Price Gauge (NPG). This was the first half yearly decline in prices recorded by the DNG NPG in the last four years, but follows the recent trend of lower rates of growth in prices nationally, evident since the second half of 2018. The small decline in the average price of a resale property at a national level (excl. Dublin) in H1 2020 contrasts with the same period of 2019 when prices rose by 1.2% on average.

As a result, the average price of a resale property nationally (excluding Dublin) now stands at €210,258, a minimal change from the average of €212,947 recorded twelve months ago.

**ANNUAL PERCENTAGE CHANGE IN NATIONAL PRICES**

As shown in figure the annual rate of change in residential property values nationally has continued to decline steadily since 2017. In the year to June 2019 prices had risen by 2.9% however twelve months on and the annual rate has turned marginally negative.

![Figure 13. Annual Percentage Change in National Prices (ex Dublin)](source: DNG Research)

**PRICE CHANGES BY REGION**

The half yearly and annual movement in residential property prices is measured for each region within Ireland and the results are shown in Table 6 below.

<table>
<thead>
<tr>
<th>Area</th>
<th>% Change in Price H1 2020</th>
<th>Annual % Change</th>
<th>Average Price June 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Border</td>
<td>-0.5%</td>
<td>1.4%</td>
<td>€165,328</td>
</tr>
<tr>
<td>West</td>
<td>-0.3%</td>
<td>0.0%</td>
<td>€209,986</td>
</tr>
<tr>
<td>Mid West</td>
<td>-1.8%</td>
<td>-1.2%</td>
<td>€182,330</td>
</tr>
<tr>
<td>Mid East</td>
<td>-0.8%</td>
<td>-1.4%</td>
<td>€302,264</td>
</tr>
<tr>
<td>South East</td>
<td>-2.1%</td>
<td>-2.8%</td>
<td>€192,847</td>
</tr>
<tr>
<td>Midlands</td>
<td>-1.4%</td>
<td>-0.5%</td>
<td>€171,313</td>
</tr>
<tr>
<td>South West</td>
<td>-3.2%</td>
<td>-2.9%</td>
<td>€239,672</td>
</tr>
</tbody>
</table>
All areas of the country saw a small reduction in the average price of a resale residential property during the first six months of the year as shown in table 6. The largest declines were recorded in the South West (-3.2%) and the South East (-2.1%) whilst prices remained virtually unchanged in the Border and West Regions during H1.

Indeed, on an annualised basis, prices in the Border Region were marginally higher (1.4%) than twelve months previously and showed no change in the year to June in the West. All other regions recorded a small decrease in values in the year to June 2020 as shown in figure 15.
PRICE CHANGES BY PROPERTY TYPE

The DNG NPG records the change in the average price of a residential property according to property type, as shown in Table 7.

<table>
<thead>
<tr>
<th>Property Type</th>
<th>% Change in Price H1 2020</th>
<th>Annual % Change</th>
<th>Average Price June 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detached</td>
<td>-1.6%</td>
<td>-1.5%</td>
<td>€245,093</td>
</tr>
<tr>
<td>Semi Detached</td>
<td>-1.4%</td>
<td>-1.2%</td>
<td>€191,400</td>
</tr>
<tr>
<td>Terrace</td>
<td>-1.5%</td>
<td>0.4%</td>
<td>€155,056</td>
</tr>
<tr>
<td>Apartment</td>
<td>-0.8%</td>
<td>0.0%</td>
<td>€118,982</td>
</tr>
</tbody>
</table>

Apartments prices nationally recorded a small decline in average values during the first six months of the year but in the twelve months to June apartment values remained unchanged as shown in table 7.

Detached homes saw values reduce in H1 by -1.6% on average whilst semi-detached homes saw a similarly small decrease in average value of -1.4%. Both types of property saw average values decrease by 1.5% or less in the twelve months to June 2020. Terraced homes, whilst decreasing in value marginally during H1 were 0.4% higher in value than they were a year ago.

FIGURE 16. HALF YEARLY PERCENTAGE CHANGE IN PRICE BY PROPERTY TYPE

Source: DNG Research
PRICE CHANGES BY NO. BEDROOMS

The DNG NPG records the change in the average price of a residential property according to the number of bedrooms a property has, as shown in Table 8 below.

<table>
<thead>
<tr>
<th>No. Bedrooms</th>
<th>% Change in Price H1 2020</th>
<th>Annual % Change</th>
<th>Average Price June 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two</td>
<td>-1.7%</td>
<td>-1.5%</td>
<td>€118,728</td>
</tr>
<tr>
<td>Three</td>
<td>-1.9%</td>
<td>-1.4%</td>
<td>€174,812</td>
</tr>
<tr>
<td>Four</td>
<td>-1.3%</td>
<td>-1.1%</td>
<td>€249,915</td>
</tr>
<tr>
<td>Five</td>
<td>-1.3%</td>
<td>-1.4%</td>
<td>€307,758</td>
</tr>
</tbody>
</table>

After a period of price stability in the market throughout 2019, the first six months of 2020 saw properties of all sizes slightly reduced in value, irrespective of the number of bedrooms the property contains. The decline was consistent across types in this regard, as shown in table 8. Two- and three-bedroom properties declined by 1.7% and 1.9% respectively during H1.
DNG NATIONAL PRICE GAUGE & THE CSO RESIDENTIAL PROPERTY PRICE INDEX

As shown in figure 18, the DNG National Price Gauge and the CSO Residential Property Price Index had recorded similar results over the last two years, with the rate of price appreciation gradually slowing, before turning negative in H1 2020.

The H1 2020 results for the CSO RPPI relate to the six month period to the end of April 2020 only. The latest available data at the time of writing

Source: DNG Research, CSO
CASH / NON-MORTGAGE TRANSACTIONS

VALUE OF TRANSACTIONS Q1 2020

- €3.62bn Value of transactions
- €1.66bn Value of residential purchase mortgages issued
- €1.96bn Value of purchases funded by cash or other sources
- 54.2% value funded by cash or other sources

VOLUME OF TRANSACTIONS Q1 2020

- 11,472 Number of transactions
- 6,932 No. of transactions funded by purchase mortgage
- 4,540 No. of transactions funded by cash or other sources
- 39.6% % transactions funded by cash or other sources

Source: DNG Research, BPFI & Property Price Register data. All figures exclude remortgage and top up loans.

- The total value of residential transactions during quarter one 2020 was €3.62 billion up 12.7% on the same period in 2019.
- The value of purchase mortgages issued in quarter one was €1.66 billion, an increase of 8.4% over the same period in 2019.
- The value of cash / non mortgage funded transactions was €1.96 billion, an increase of 16.7% over the same period 2019.
- 54% of residential transactions were funded by cash / non mortgage finance sources during the first quarter.
- 11,472 residential transactions took place between January and March 2020 according to the Property Price Register, a decrease of -0.6% compared to quarter one 2019.
- Of these, 39.6% (4,540) were funded by cash / non mortgage finance or other sources.
- In quarter one 2020, 6,932 purchase related mortgages were drawn down, an increase of 3.9% on the same period 2019.
- The number of cash / non mortgage finance based transactions fell by -6.7% in the first quarter 2020 compared to the same period 2019.
DNG Research tracks the number of housing transactions across the United Kingdom and Ireland on a quarterly basis. Results are presented as the number of housing transactions per thousand head of population for each country for comparison.

**QUARTERLY HOUSING TRANSACTIONS PER ‘000 POPULATION**

- All areas of the UK and Ireland recorded fewer transactions per thousand population in Q1 2020 compared to the same period in 2019
- 2.3 Housing transactions per thousand population were recorded in Ireland in Q1 2020 compared to 2.4 in Q1 2019. In Dublin 2.5 transactions per thousand population were recorded compared to 2.8 per thousand in Q1 2019
- The UK continues to record more transactions per thousand population than Ireland. In Q1 2020 there were 3.8 transactions per thousand population compared to 3.9 in Q1 2019.

**FIGURE 19. HOUSING TRANSACTIONS PER ‘000 POPULATION**

- Ireland
- UK
- England
- Scotland
- Wales
- N Ireland
- Dublin

Whilst there is quarterly variance in the transactions numbers per thousand population, the average number of transactions per quarter over the preceding twelve month period gives a clearer picture of the difference between transaction levels in the UK and Ireland as shown in figure 21.

England, Scotland and Wales all averaged over 4 transactions per thousand head of population per quarter in the last twelve months whereas in Ireland and Northern Ireland the figure was below 4 per thousand on average, signifying that the market still continues to operate at a sub optimal level in terms of transaction volumes.

SUPPLY SIDE ANALYSIS

RESIDENTIAL PLANNING PERMISSIONS

Q1 2020 saw a high number of planning permissions granted with total permissions up 97.4% compared to Q1 2019. The number of apartments granted permission in Q1 2020 (9,698) was 274% higher than the same period last year. As shown in figure 22, apartment planning permissions continue to be the main driver in the increase in overall residential permissions granted with the number of permissions for houses and multi-development houses remaining reasonably constant since the beginning of 2019.

Outside of Dublin and the Mid-East, only the South West and West regions saw apartment permissions granted for more than 100 units in each region in the quarter.
NEW DWELLING COMPLETIONS

Previously granted planning permissions are starting to show in the new dwelling completion figures. In Q1 2020 the number of apartment completions (1,044) was up 75% on the same period in 2019 however, scheme-based dwellings continued to make up most of the newly constructed units (2,848) in Q1 2020. In total 4,986 dwelling units were constructed in the first quarter of the year, a 17.2% increase on Q1 2019.

Urban areas, and specifically Dublin, saw the largest number of new dwellings built in the first three months of the year. 80% of all newly constructed homes were in existing urban areas, and as eluded to earlier, Dublin remains the main place where apartment construction is economically viable. 80% of all apartments built in Q1 were built in Dublin.

Finally, a note on unfinished housing developments (UFHD’s) – the number of dwellings in UFHD’s fell 39% in Q1 2020 reducing the number of such units to just 106 across the country, the lowest level since the CSO started recording data and a drop of 85% since Q3 2014.
PROGRAM FOR GOVERNMENT 2020
SUMMATION OF PROPERTY RELATED MEASURES

AFFORDABLE HOME OWNERSHIP

- Progress a State-backed affordable home purchase scheme.
- Retain and expand the Help to Buy scheme for new properties and self-build properties.
- Expand the Rebuilding Ireland Home Loan.
- Explore expanding Part V to encompass affordable purchase and cost rental units.
- Strengthen the Mortgage to Rent scheme and ensure that it is helping those who need it.

LAND DEVELOPMENT AGENCY

- Provide homes for affordable purchase, cost rental and social housing.
- Allocate Compulsory Purchase Order powers to the LDA.
- Ensure the public housing rental stock on public lands is under the control of local authorities, Approved Housing Bodies, or other similar bodies.

PUBLIC AND SOCIAL HOUSING

- Deliver 50,000 units as social housing stock, majority of which are to be built (Local Authorities, Approved Housing Bodies & State Agencies)
- Introduce a package of social housing reforms to:
  - Introduce a social housing passport.
  - Maintain the right of social housing tenants to purchase their own home but require them to be in situ for ten years, reduce the discount to a maximum of 25% and give local authorities the first call on purchase.
  - Ensure public procurement policies for housing delivery contracts contain strong social clauses.

RENTAL

- Develop a Cost Rental model for the delivery of housing, taking into consideration international examples e.g. The Vienna Model.
- Reform the Fair Deal scheme to incentivise renting out vacant properties.
- Extend the moratorium on the termination of tenancies, in line with public health advice, if the requirements of Section 4 of the Emergency Measures in the Public Interest (Covid-19) Act 2020 are met.

PLANNING AND REFORM

- Introduce a ‘use it or lose it’ condition for all planning applications of ten units or more.
- Introduce a new scheme to expand and build on the Living Cities Initiative.
- Strengthen enforcement of the Vacant Site Levy.
- Not extend Strategic Housing Developments beyond their legislative expiry in 18 months’ time.

COMMISSION ON HOUSING

In addition to the measures on housing set out above, the Government will establish a Commission on Housing to examine issues such as tenure, standards, sustainability, and quality of life issues in the provision of housing.
ANALYSIS AND OUTLOOK 2020

Whilst most of the official data currently available relates to the first quarter this year, the latest DNG House Price Gauge statistics covered in this report reflect the market during the period of lockdown from Mid-March to the end of June. These figures show that the global Covid-19 pandemic has certainly impacted negatively on the residential property market, although the effect on prices to date has been somewhat muted and the market has performed well considering the scale of the economic and societal disruption the whole country experienced.

Prices remained relatively resilient during the second quarter and the limited evidence available since market activity and sales transactions resumed in early June has been positive. Market activity has been strong, with viewing numbers being on average 75% higher than in the weeks leading up to the economic shutdown, signifying an underlying resilience amongst those looking to buy in the market. There has undoubtedly been an element of deferred activity in the market in the weeks since business resumed, however, sales prices have remained relatively stable as a result.

The lack of sales transaction data for the lockdown period also makes judging the true impact of Covid-19 on the market more challenging and it will be into the third and possibly fourth quarters of the year before a clear picture becomes available. Anecdotal evidence already suggest that demand remains strongest at the entry level to the market as first-time buyers with loan approvals that are unaffected by Covid-19 remain highly active in the market.

As has been well documented in recent weeks, the scale and speed of the deterioration in the economy has been unprecedented as the country effectively shut down for a three-month period. Covid-19 continues to have a significant impact on the labour market and the covid-related measure of unemployment reached 22.5% in June. This includes those in receipt of the Pandemic Unemployment Payment (PUP) who have yet to return to work. In employment terms, the impact of the pandemic has been far more severe for the 15-24 age group however this cohort are no longer the key demographic for house purchase, and this has helped limit the negative impact on demand in the market.

The total number of workers in receipt of either the PUP or the Temporary Wage Subsidy Scheme is now around 800,000 although this number continues to fall each week as the economy continues to reopen. Overall lending in the mortgage market remains impacted and the latest data on mortgage approvals in May shows a decline in excess of 60% compared to a year previous. Mortgage lending volumes for the remainder of the year will be a key factor in determining the performance of the residential property market in the months ahead, and how the banks view mortgage applications for workers in receipt of covid wage subsidy payments will be a key part of that. The best outcome for the market will be a gradual and sustained increase in economic activity throughout the remainder of 2020 and into next year without the need for further lockdown restrictions.
ADDITIONAL SOURCES USED TO COMPILE THE REPORT:

- AIB Treasury Economic Research Unit – Housing Market Bulletin June 2020
- Banking and Payments Federation Ireland – Mortgage Approvals May 2020
- Central Statistics Office - Residential Property Price Index April 2020
- Central Statistics Office – New Dwelling Completions Q1 2020
- Central Statistics Office - Planning Permissions Q1 2020
- Central Statistics Office - Residential Property Price Register
- Central Statistics Office – Monthly Unemployment June 2020
- HM Revenue & Customs – Monthly Property Transactions April 2020