



Chartered property,
land and construction
surveyors

SCSI Residential Property Report

Mid-Year Market Monitor 2023



About the Report

- Joint Quarterly Survey with Central Bank of Ireland
- Views of SCSl estate agents/auctioneers/valuer
- Principal focus tracking affordability, expectations on values, and rental market
- Assesses the level of transactional activity in the market

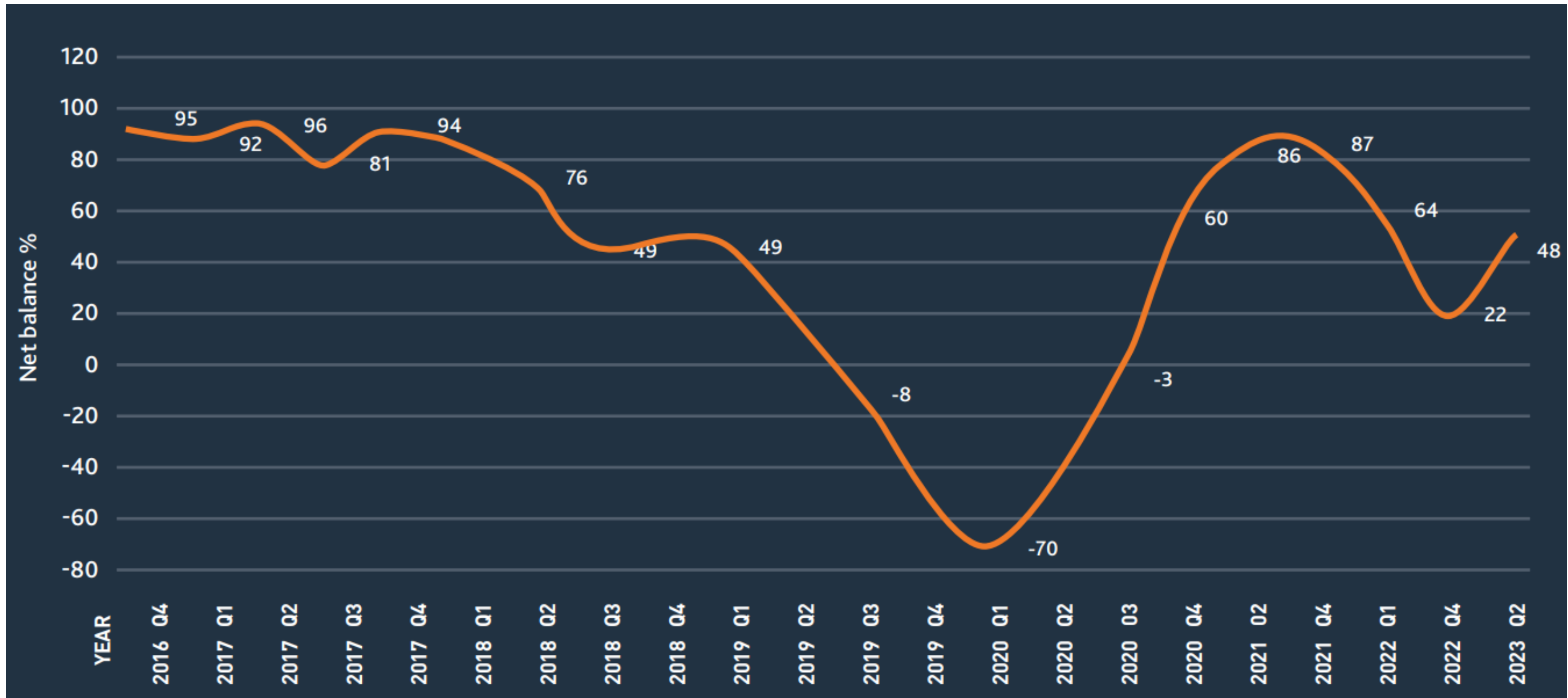
Sales Market Headlines

- 12-month expectations, +2% national average
- 71% reporting low levels of stock for sale, improvement on 81% last year.
- Sales instruction level index at -5%, down from +32% in 2021
- 63% report prices are expensive



National Price Movements +12 months

- SCSl index





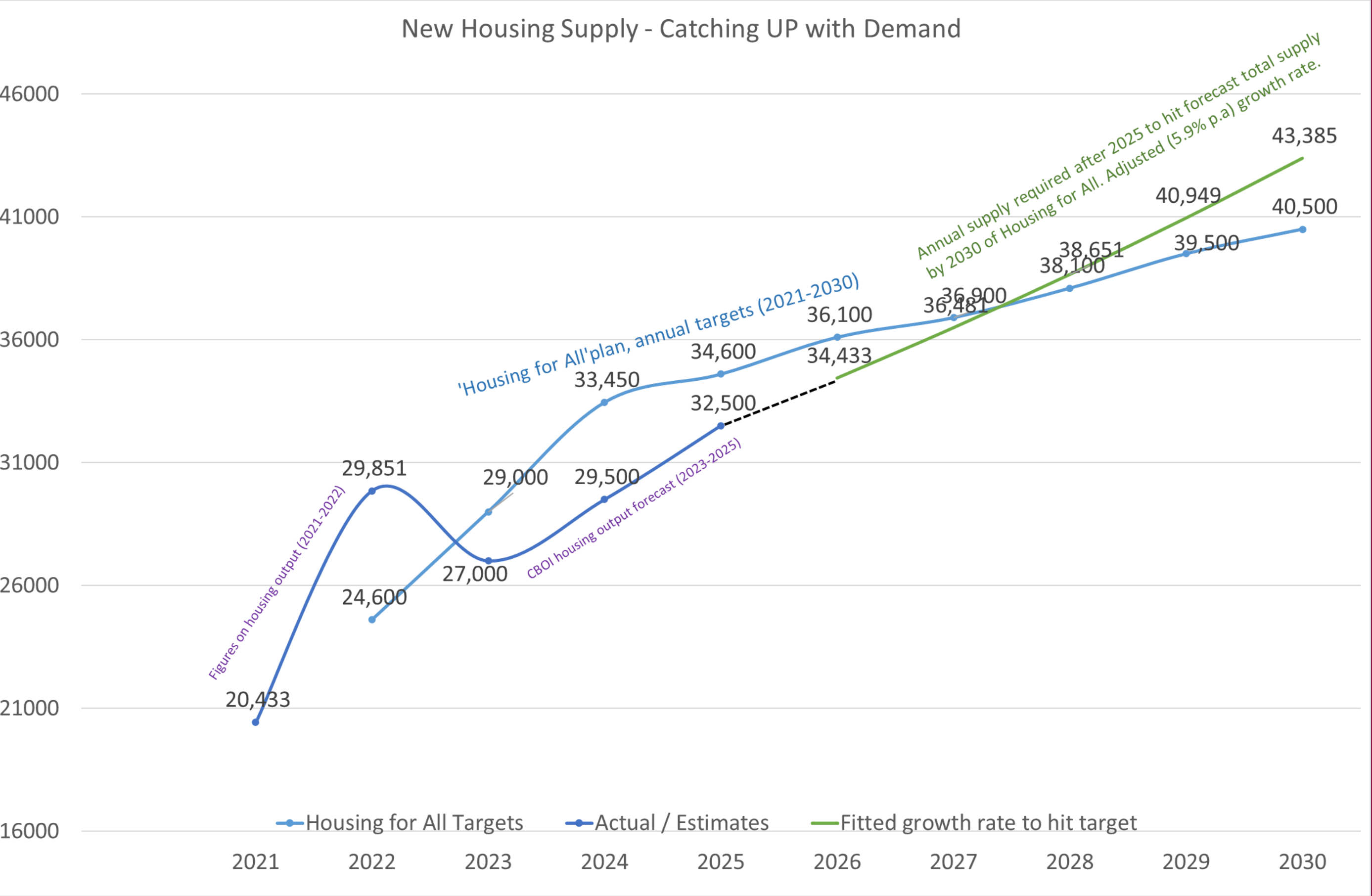
Factors Underpinning House Price Expectations

1. Fewer Houses Being Built

2. Changes Made by Banks (in relation to interest rates/availability of credit)

3. Changes in the State of the Economy

New Housing – Catching up with demand – annual increase of 5.9% req'd



Seller Activity

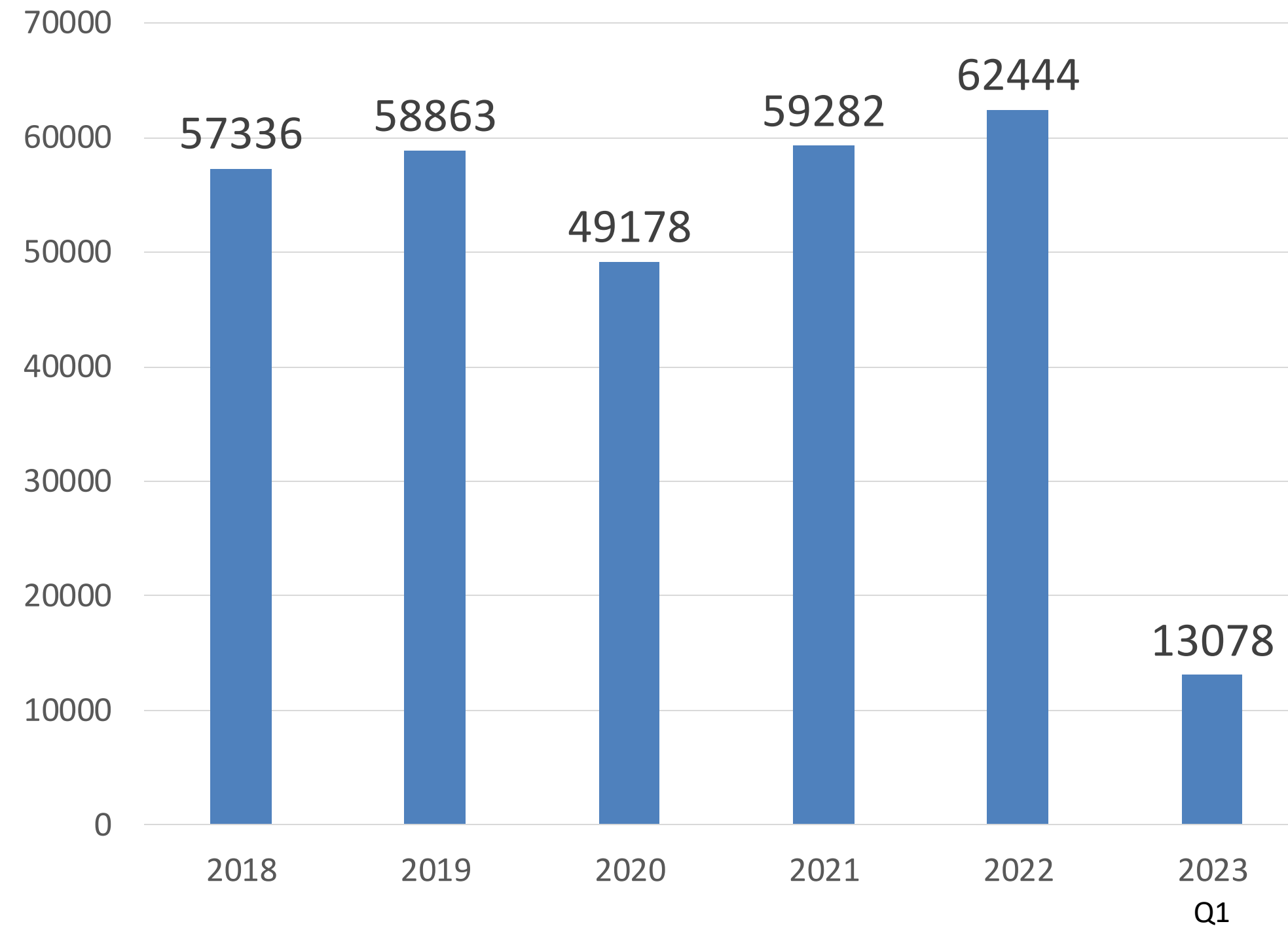


- Agents noted a modest increase in the number of sellers initiating sales compared to Q4 2022
- Currently, 13,600 homes are listed for sale on the Myhome.ie platform

Buyer Activity



- **Number of Annual Property Transactions on the rise**



Source - Property Price Register

Buyer Affordability Metric

New 3 bed semi-detached homes increased on average by €8,000 nationally, up 2% in six months



Meath remains the most affordable commuter county to Dublin

New homes in Wicklow and Kildare remain the most unaffordable to the average income earning couple



Buyer Affordability Metric



To track housing affordability over time, the SCSi has developed a buyer affordability metric, which considers the gap (if any) between the total purchase limit available to average income earning couples, and average new house sales prices.

Location	Meath	Kildare	Wicklow	Cork	Galway
Average Purchase price of new 3 bed semi	€383,000	€431,000	€488,000	€385,000	€382,000
Deposit Required	€38,300	€43,100	€48,800	€38,500	€38,200
LTI Max Loan Limit	€356,000	€356,000	€356,000	€356,000	€356,000
Total Purchase Limit	€394,300	€399,100	€404,800	€394,500	€394,200
Affordability	€11,300	-€31,900	-€83,200	€9,500	€12,200

Figure: Affordability Scenarios

Rental Activity

- Peak in agents reporting landlords placing their property on the market for sale in 2022
- Complex & restrictive nature of rental legislation noted as the top reason units are being put up for sale for the last few years

TOP FOUR REASONS WHY BUY-TO-LET UNITS ARE COMING BACK ONTO THE MARKET FOR SALE

- 1 Rent legislation is too complex and restrictive.
- 2 Net rental returns are too low.
- 3 Landlords coming out of negative equity.
- 4 Pressure from lending institutions to liquidate assets.

Market Trends

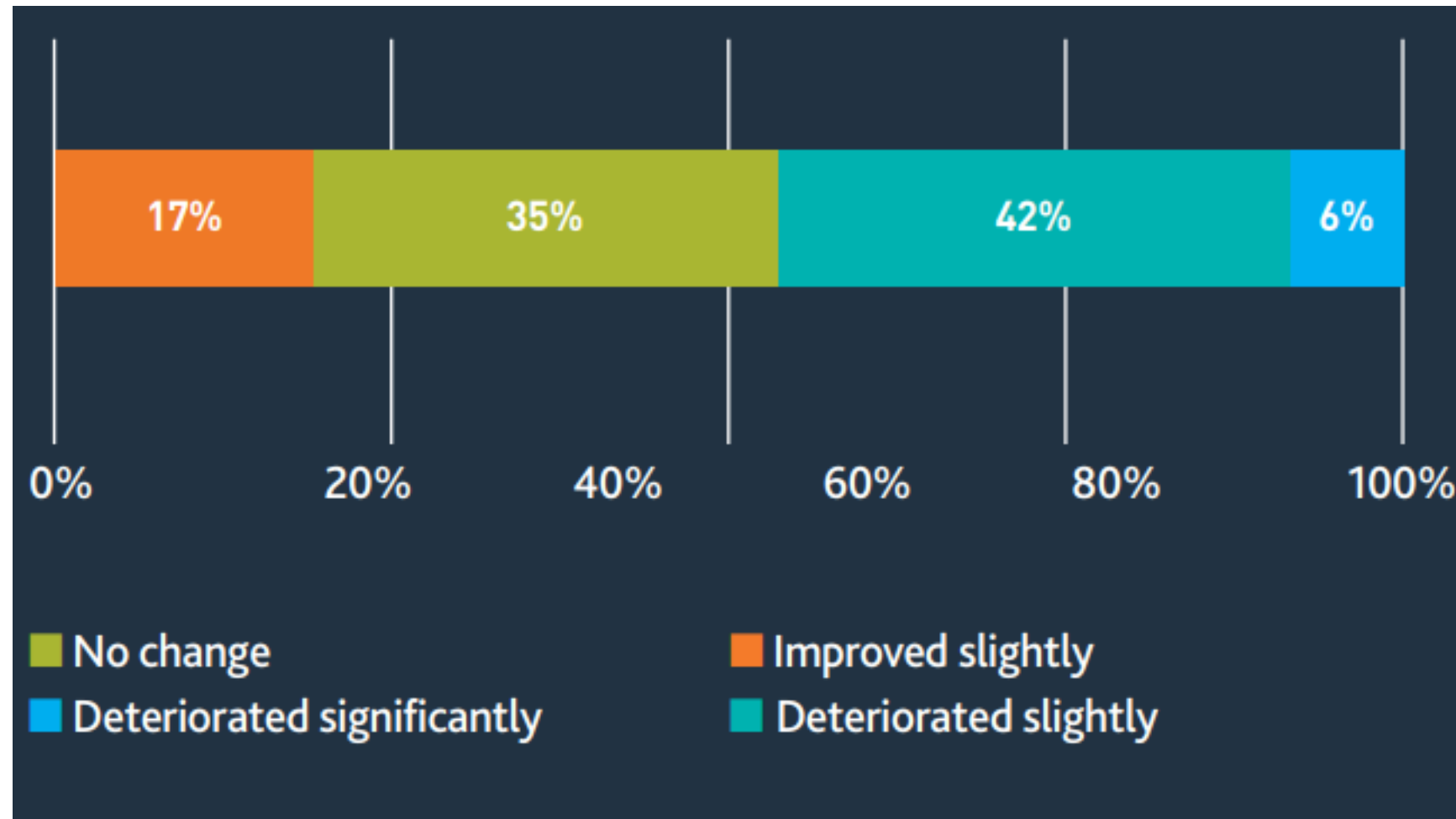


Figure: Credit conditions in the residential real estate mortgage market

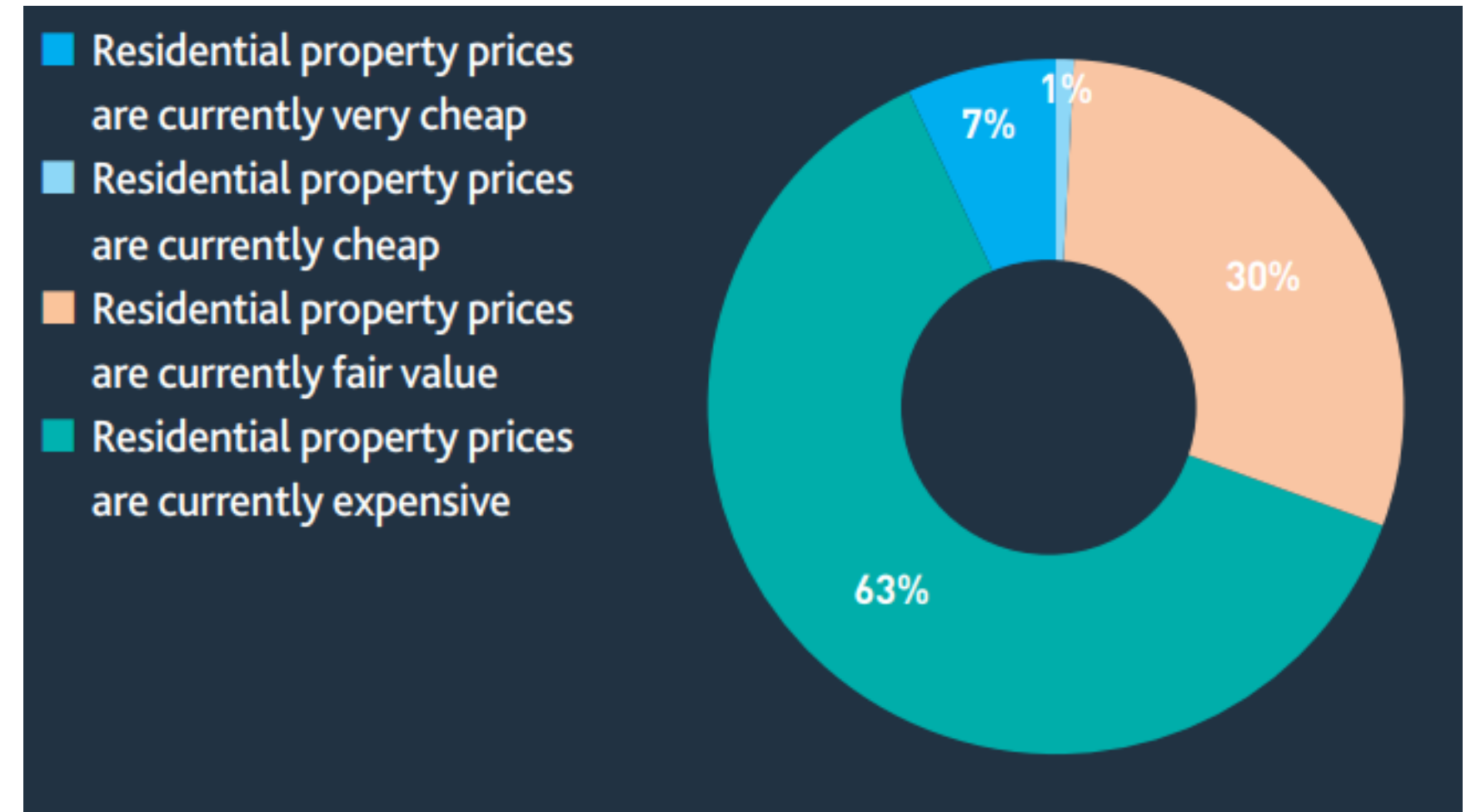


Figure: Current residential property market valuation levels

- **48% of agents noted a deterioration of credit conditions in the first half of 2023**
- **63% of respondents noted residential property market valuation levels as being expensive**