




# RESIDENTIAL PROPERTY REVIEW & OUTLOOK 2021

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### Survey details

Four SCSI surveys are referenced in this report:

The 2020 Q1 Central Bank/SCSI Residential Property Price Survey took place during April 8 and 24, 2020.

The 2020 Q2 SCSI Residential Property Market Covid-19 Impact Survey took place during June 19 and July 3, 2020.

The 2020 Q3 Central Bank/SCSI Residential Property Price Survey took place during October 9 and 23, 2020.

The SCSI's National Property Outlook Survey took place during December 10 and 21, 2020.

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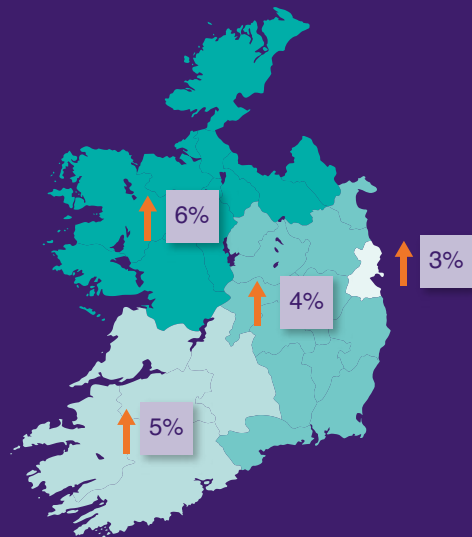
# KEY HIGHLIGHTS



**68%** of agents expect **national property values to increase**

**24%** expect them to **stay the same** for the next **12 months**

Expected **increases** in **property values** in 2021  
**national** ↑↑↑ **4%**



**Dublin**

**66%** expect to see values **increase**

**25%** expect them to remain the **same**



**Leinster** (excluding Dublin)

**69%** expect to see values **increase**

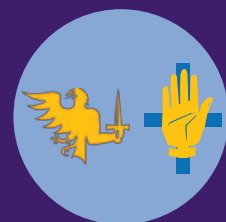
**25%** expect them to remain the **same**



**Munster**

**76%** expect to see values **increase**

**22%** expect them to remain the **same**



**Connacht/Ulster**

**80%** expect to see values **increase**

**20%** expect them to remain the **same**

# KEY HIGHLIGHTS



**Sales enquiries: 87%**  
of agents reported **increased** or similar activity in **Q4 2020**



**Sales completed: 85%**  
of agents reported **increased** or similar activity in **Q4 2020**



**19,500**  
**new units** forecast, **14,000 below** CBI housing requirement estimate



**83%** of agents reported **low** levels of **stock** available



Prospective viewers looking at **rural** and **coastal locations**, and moving their search beyond the **Greater Dublin Area**

# THE 2020 PROPERTY MARKET IN CONTEXT

## Covid-19 exacerbated gap between new supply and demand

2020 is a year that has been framed by the ongoing impact of Covid-19, which has been felt across all industries, including the property market. While much of the market activity was halted or significantly slowed in the first half of the year due to an extended lockdown period and the temporary closure of industry, the second half of the year saw a significant increase in buyer and seller activity. This was, to some extent, due to pent-up demand because of a lack of home purchasing and drawdown activity in the

latter stages of Q1 and in Q2.<sup>1</sup> Indeed, the Banking & Payments Federation Ireland (BPMFI) reported a positive upswing in both mortgage approval and mortgage drawdown activity in Q3.<sup>2</sup> However, while purchaser activity increased in the latter stages of the year, the total number of residential properties available to buy on Daft.ie on December 1 was the lowest in over 14 years – since August 2006.<sup>3</sup> The construction sector, like many other sectors, was impacted by the Covid-19 restrictions, and this has resulted in lower new housing output than anticipated for 2020. Despite a significant decrease in new residential

construction in Q2, the level of activity (seasonally adjusted volume index) in the residential construction sector increased by 76% in Q3.<sup>4</sup> However, on an annual basis activity in the residential sector decreased by 14% from Q3 2019 (provisional figure).<sup>5</sup> It is anticipated that around 19,000-20,000 residential new builds will be completed in 2020,<sup>6</sup> which is approximately 14,000 fewer units than the number that the Central Bank, among other economic commentators, has identified is required each year to meet the population's housing requirements.<sup>7</sup>

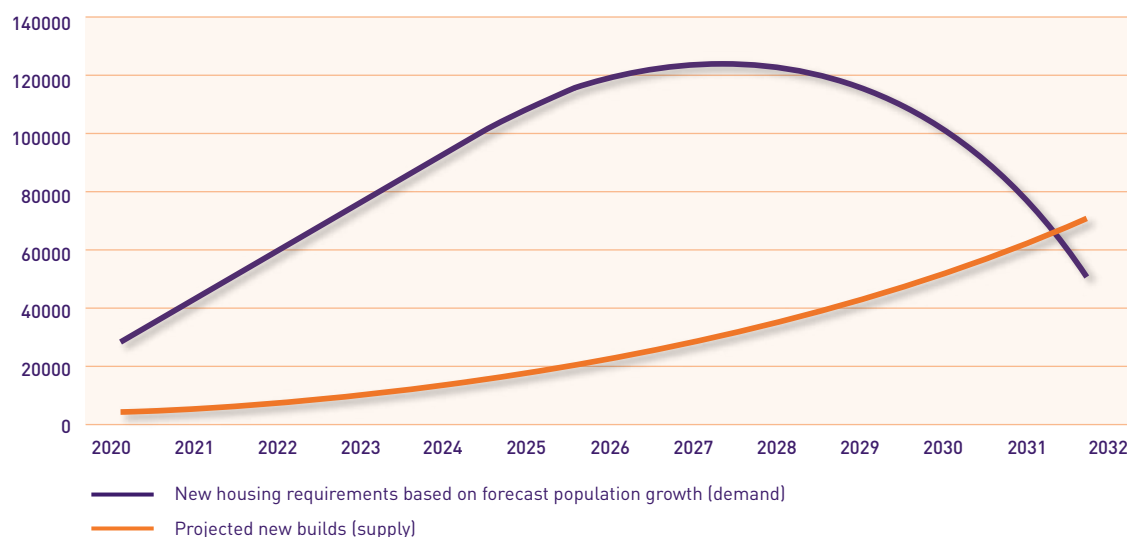


FIGURE 1: New housing requirements until 2032 versus projected new builds during the same period.<sup>2</sup> Source: SCSl.

<sup>1</sup> SCSl Residential Markets Report – Covid-19 Impact Edition, Q2 2020.

<sup>2</sup> BPMFI Housing Market Monitor, Q3 2020.

<sup>3</sup> Daft.ie House Price Report, Q4 2020.

<sup>4</sup> CSO Production in Building and Construction Index – Quarter 3 2020 (Provisional) Quarter 2 2020 (Final).

<sup>5</sup> CSO Production in Building and Construction Index –

Quarter 3 2020 (Provisional) Quarter 2 2020 (Final).

<sup>6</sup> BPMFI Housing Market Monitor, Q3 2020.

<sup>7</sup> Central Bank, Population Change and Housing Demand in Ireland, 2019.



Indeed, earlier in the year the SCSi forecasted that when considering the impact of Covid-19 on the economy, and Ernst & Young's projection that the construction sector will not return to 2019 levels of new completions until 2024, housing supply and demand equilibrium may not be achieved until 2031 (Figure 1).<sup>8</sup>

#### A national increase in property values

Prior to Q4 2020, national residential property values appeared to be continuing a yearly downward trend, albeit by marginal decreases. However, property values remained more resilient than some commentators predicted during the initial stages of the year. According to the CSO Property Price Index, residential property values (houses and apartments) decreased by just 0.4% nationally in the year to October. This compares to a decrease of 0.8% in the year to September and an increase of 1% in the 12 months to October 2019.<sup>9</sup> In Dublin, residential property values saw a decline of 1.2% in the year to October, while property values outside Dublin were 0.4% higher.

#### Rental prices – moderation in growth rate

2020 has seen a continued slowdown in the growth rate of rental prices due to the impact of the Covid-19 pandemic. Nationally, on an annualised basis, rents grew by 1.4% in Q3 2020, going from €1,239 in Q3 2019, to €1,256 in Q3 2020.<sup>10</sup> This is the lowest national annual growth rate since Q4 2012.

While the drop in rental growth can be seen nationally, it has been greater in Dublin than elsewhere. The rental sector appeared to witness a brief alleviation to supply concerns,

particularly in Dublin where several thousand short-term letting properties, which were previously marketed primarily to tourists, were placed on the market as long-term lettings. This is likely to be a once-off occurrence, which was spurred on by the impact of Covid-19 on the tourism industry. Combined with limited migration into the city, this saw rents in Dublin City continue to moderate, with a second quarterly year-on-year decline (down 1% year on year) in 2020, the first time since 2012 that this has occurred.<sup>11</sup> This higher moderation in rental values in Dublin reflects the differing impact Covid-19 is having on supply and demand-related issues in different regions. Of course, due to Covid-19, the residential rental sector saw the introduction of emergency legislative measures designed to support those living in the residential rental sector during emergency periods. In October 2020, the Government introduced the Residential Tenancies Act 2020 (RTA 2020). This legislation includes introducing temporary restrictions, which provide that tenants are not required to vacate their rental properties during an emergency period, except in the instance of specific breaches to tenant obligations.

#### An industry that has adapted to change

Covid-19 has impacted on the way we do business. SCSi agents have reported on the challenges that their businesses have had to overcome in 2020 and the adaptations businesses have made to comply with Government protocols and restrictions. Increased working from home has brought challenges and opportunities for the sector, as

**WHILE MUCH OF THE MARKET ACTIVITY WAS HALTED OR SIGNIFICANTLY SLOWED IN THE FIRST HALF OF THE YEAR, THE SECOND HALF OF THE YEAR SAW A SIGNIFICANT INCREASE IN BUYER AND SELLER ACTIVITY.**

with many others. One area of industry that has had to adapt in 2020 is property viewings. Chartered Estate Agents have reported that viewings have become more focused, with the pre-assessment of buyers allowing for optimal viewings with interested parties. While viewings have taken more time in 2020 due to compliance with the Joint Sector Protocol for Property Services Providers, agents have reported using virtual viewings and technology effectively to showcase homes. While the use of online and virtual viewing was already increasing prior to Covid-19, its use has been accelerated and is likely to continue on this trajectory as agents and clients embrace its many advantages. The human element will always remain essential, however, as the expertise and local insight of Chartered Surveyors, Agents, Auctioneers and Valuers is central to transacting property.

<sup>8</sup> Assumptions: 1. Construction sector growth will not reach 2019 levels until 2024 (Ernst & Young – Item Club Summer Forecast (UK Forecast)); 2. The annual inflationary rate applied from 2024 is

17%, which has been calculated based on output over a 10-year period from 2014 (including estimates for 2020-2023 as per above).

<sup>9</sup> CSO Property Price Index, October 2020.

<sup>10</sup> RTB Rent Index, Q3 2020.

<sup>11</sup> RTB Rent Index, Q3 2020.

# SELLER AND BUYER ACTIVITY

Figure 2 summarises activity levels reported by agents for Q4 2020 when compared to Q3 2020. Over the course of 2020, agents took part in four quarterly SCSi property surveys<sup>12</sup> and were asked to assess the level of residential activity in the market quarter on quarter. A summary of activity for the year for sales enquiries/property viewings, sales completed, sales instructions (from sellers), and sales agreed but not proceeding to completion is provided below. Sales enquiries, property viewings, and sales completed have all seen an overall positive increase in activity in the latter stages of the year.

## Quarter-on-quarter market activity

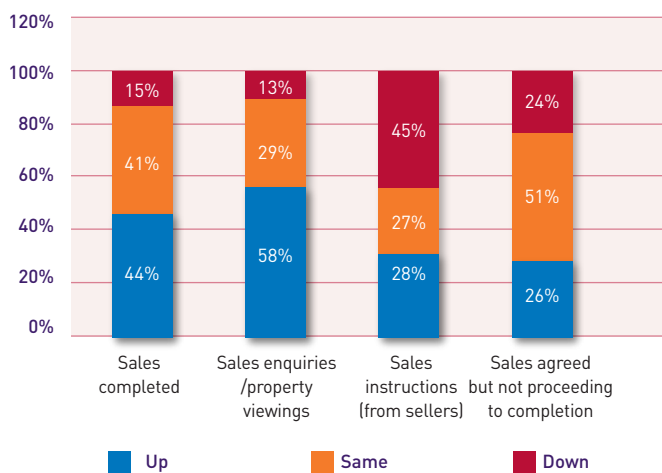


FIGURE 2: Quarter-on-quarter market activity – Q4 2020.

<sup>12</sup> 2020 Q1 Central Bank/SCSi Residential Property Price Survey; 2020 Q2 SCSi Residential Property Market Covid-19 Impact Survey; 2020 Q3 Central Bank/SCSi Residential Property Price Survey; SCSi National Property

## National sales enquiries/property viewings activity (net balance).



FIGURE 3: Net balance chart – national sales enquiries/property viewings activity. Net balance = Proportion of respondents reporting a rise in a variable (e.g., viewings) minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance will be 25%). Net balance data can range from -100 to +100.

Agents reported increases in sales enquiries/property viewings quarter on quarter since the reopening of the property sector in June 2020 (Q2, 2020). Figure 3 illustrates the net balance of those who reported an increase in activity with those who reported a decline in activity during the same period. The initial net increase in activity in Q2 following the reopening of the sector was unsurprising as, according to agents, many purchasers were pre-approved for property finance and immediately attended viewings to find the right property. Agent sentiment of purchaser demand remained robust for Q4, with 87% of agents reporting sales enquiries/property viewings increasing or remaining the same (Figure 2). This sentiment is in line with figures from the BPFi, which show an increase in mortgage approval and drawdown activity in Q3 from Q2.<sup>13</sup>

Outlook Survey, Q4 2020.

<sup>13</sup> BPFi Housing Market Monitor, Q3 2020.



### National sales instructions from sellers (net balance).

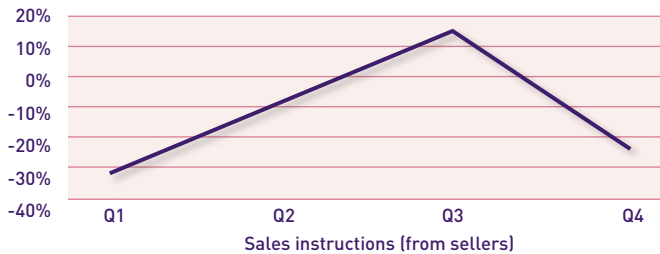


FIGURE 4: Net balance chart – national sales instructions from sellers. Net balance = Proportion of respondents reporting a rise in a variable (e.g., viewings) minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance will be 25%). Net balance data can range from -100 to +100.

Sentiment for sales instruction activity was more positive in Q2 and Q3 following the initial period of lockdown in Q1. However, while 37% of agents reported sales instructions increasing in Q3 2020 (when compared to Q2), only 28% of agents reported activity increasing/remaining the same in Q4. Indeed, 45% of agents reported a decrease in sales instructions in Q4 in the SCSJ National Property Outlook Survey, while only 23% reported a decrease in Q3.

Figure 4 summarises the net balance of this sentiment quarter on quarter. Some agents outlined that this slowdown in Q4 of sales instructions in some locations is ultimately due to a lack of supply. A limited availability of properties on the market is resulting in a slowdown of potential vendors who are interesting in selling.

### National sales completed (net balance).

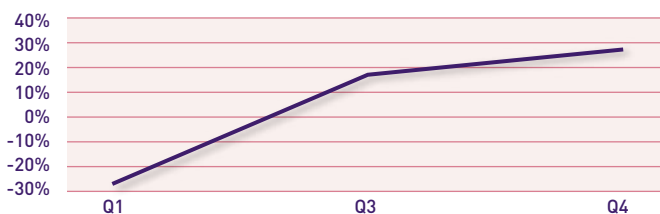


FIGURE 5: Net balance chart – national sales completed. Net balance = Proportion of respondents reporting a rise in a variable (e.g., viewings) minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance will be 25%). Net balance data can range from -100 to +100. Note – Q2 data not available.

Agents reported an overall positive uplift for sales completed in the second half of 2020 (Figure 5). In Q3, 39% of agents reported that sales completed had increased when compared to Q2 levels. In Q4, 44% of agents reported that sales completed had increased when compared to Q3 activity. Only 15% of agents reported that sales completion activity was down in Q3; this lowered to 13% in Q4.

This sentiment is in line with data from the BPFJ in October 2020, which illustrates that mortgage approvals increased in volume terms by 15% year on year, and increased in value terms by 23% over the same period.<sup>14</sup>

<sup>14</sup> BPFJ Mortgage Approvals Report, October 2020.

### Summary of national market activity in the latter stages of the year – 2017 to 2020 (net balance).

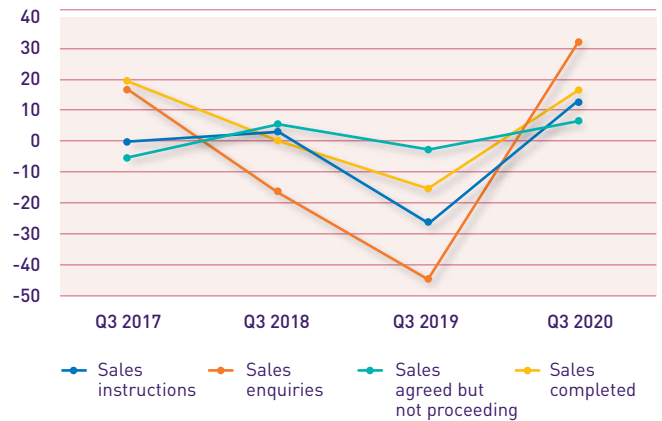


FIGURE 6: Summary of Q3 national market activity 2017 to 2020 (net balance). Net balance = Proportion of respondents reporting a rise in a variable (e.g., viewings) minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance will be 25%). Net balance data can range from -100 to +100.

Property market activity in 2020 largely mirrored successive periods of lockdown, limited activity and then a surge of activity as society and the sector reopened.

The latter half of 2020 has seen an increase in activity reported by agents. What is interesting, however, is that year on year, activity in Q3 2020 was more positive across sales enquiries, sales completed, and sales instructions compared to Q3 of 2019 and Q3 of 2018 (Figure 6). This is possibly attributable to the surge of activity in Q3 prompted by the pent-up demand arising from reduced activity in Q1 and Q2.

### Levels of stock for sale

The stock of available properties in agents' portfolios continues to remain relatively flat. Some 83% of agents stated that they had low levels of stock available in their portfolio to sell in Q4 2020. Less than 1% of agents stated that they had high levels of stock available to sell (Figure 7).

### Levels of stock available to sell

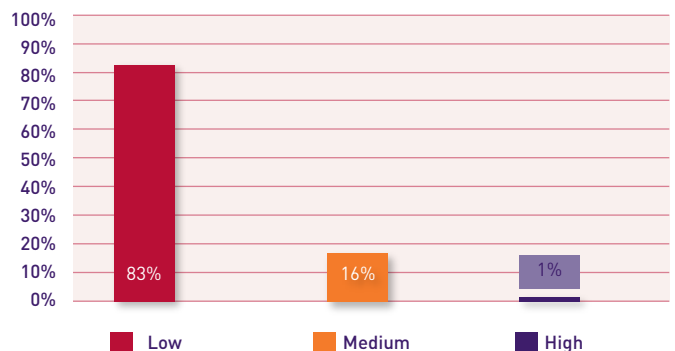


FIGURE 7: Levels of stock available to sell as of Q4 2020.

# THE RENTAL MARKET

## Residential sales and investment

Some 39% of agents who responded to the SCSi's National Property Outlook Survey<sup>16</sup> expect to see an increase in the number of buy-to-let properties coming onto the market in Q1 2021, while 42% expect the number to remain the same, with 19% expecting to see a decrease.

The sale of buy-to-let properties to owner occupiers has been commonly cited by agents as a major reason for the continued lack of rental supply. When asked in the SCSi's National Property Outlook Survey what factors are primarily influencing buy-to-let properties coming onto the market, rental legislation, landlords coming out of negative equity and low returns were cited as the three main factors (Figure 8). Rental market legislation has remained the most cited response to this survey question in 2019 and 2020.

## Top three reasons for buy-to-let units coming onto the market to sell (national)



FIGURE 8: Net score chart – reasons for buy-to-let units coming onto the market to sell in Q4 2020.

Net score chart: Respondents were asked to cite their top three reasons for residential units coming onto the market. The above net score chart (max of 10) combines total responses to provide the most commonly chosen reasons.

<sup>16</sup> Issued in Q4 2020.

**WHEN ASKED IN THE NATIONAL PROPERTY OUTLOOK SURVEY WHAT FACTORS ARE PRIMARILY INFLUENCING BUY-TO-LET PROPERTIES COMING ONTO THE MARKET, RENTAL LEGISLATION, LANDLORDS COMING OUT OF NEGATIVE EQUITY AND LOW RETURNS WERE CITED AS THE THREE MAIN FACTORS. RENTAL MARKET LEGISLATION HAS REMAINED THE MOST CITED RESPONSE TO THIS SURVEY QUESTION IN 2019 AND 2020.**

## Outlook: Covid-19 impact on rental market

2020 saw several trends in the rental sector. Covid-19 restrictions and the consequential move towards working from home have impacted. Agents reported seeing slightly less demand for rental property in Dublin as tenants continue to work remotely from other locations. This is coupled with less migration into the city. For those who remain in urban locations, agents reported in our Q4 2020 survey expecting to see an increase in the demand for bigger, more spacious properties, possibly outside larger urban centres, as people spend more time at home.



# 2021 OUTLOOK

## Expected increase in activity

In Q1 2021, Chartered Estate Agents expect to see a surge of activity in the sector. This anticipated surge in demand is expected to hold property values if supply cannot meet demand in 2021. Overarching sentiment among agents is that developments with Covid-19 will largely dictate the levels of activity in the market in 2021 as per 2020.

Recent developments, including a shared equity scheme announced by the Government, are also likely to have a positive impact on those looking to step onto the property ladder.

*"Enquiries and sales were very strong in Q3 and Q4. The Help to Buy (HTB) scheme for new homes was very positive and availed of by many. I expect that new home sales will be strong in Q1 due to HTB and energy efficiency."*

Chartered Estate Agent, Leinster region

## A shift away from urban centres – short- or long-term trend?

Agents reported an increasing trend of potential buyers seeking holiday homes in secondary locations, particularly in rural and coastal locations, in 2020. Agents have also noted a focus from potential buyers on internal and external space, and on other amenities in the locality. This appears to have stemmed from an increased number of people working from home and thus not needing to commute to work daily. There is potential that the shift in consumer preference may decrease over the coming 18 months as a vaccine is rolled out; however, agents reported that this trend appears to be continuing into the near future as people seek to move out of more urban locations. This may result in an increase in property values in rural locations. This sentiment is in line with the Daft.ie report that asking rents have increased in locations outside of Dublin across Leinster and Munster.<sup>17</sup> Indeed, most agents across all regions have reported anticipating house prices to rise in their region over the coming 12 months.

<sup>17</sup> Daft.ie Rental Price Report, Q3 2020.

**THIS ANTICIPATED SURGE IN DEMAND IS EXPECTED TO HOLD PROPERTY VALUES IF SUPPLY CANNOT MEET DEMAND IN 2021. SENTIMENT AMONG AGENTS IS THAT DEVELOPMENTS WITH COVID-19 WILL LARGELY DICTATE THE LEVELS OF ACTIVITY IN THE MARKET IN 2021 AS PER 2020.**

*"I have been really surprised how quickly since the first lockdown ended the impact of remote working has had on our market. We have sold at least five houses to couples who, if you asked them in February, would not have considered the opportunity of living [here]. It's a trend seen all around the country and naturally a lot of these buyers have links to the local area, but not all."*

Chartered Estate Agent, Leinster Region

## Property price developments

### Expected change in property values

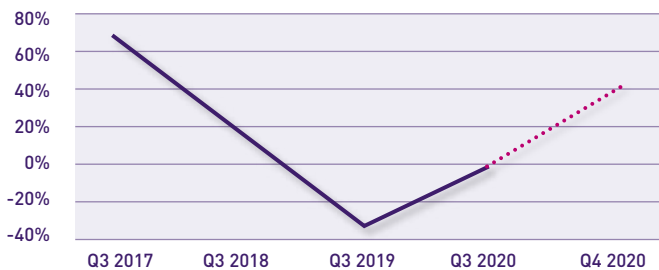
The knock-on effect of increased purchaser activity following a slump in activity earlier in the year appears to have put some confidence back in the market in Q4 2020. The share of agents who anticipate a fall in property values has decreased notably from Q1 2020. In Q1 of 2020, 77% of agents expected property values to decrease over the coming 12 months. This dropped to 34% in Q3, and further decreased to 8% in Q4 2020, with a corresponding increase in the share of agents anticipating property values remaining the same or increasing.

## Expectations over time

### Quarter on quarter

As per **Figure 9**, quarter-on-quarter responses for anticipated price developments were on a steady decline from 2017; however, Q3 2020 saw an upswing in sentiment, which suggested that agents anticipated an increase in property values in Q4 2020. This sentiment is in line with market data on house prices, which saw average list prices nationally rise by 2.2% in the final three months of 2020, the first time since 2006 that the end of the year has recorded a price increase.<sup>18</sup>

### Next three months – anticipated direction of property values (net balance).



**FIGURE 9:** Next three months – anticipated direction of property values (net balance).

Net balance = Proportion of respondents reporting a rise in a variable (e.g., viewings) minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance will be 25%). Net balance data can range from -100 to +100.

### Year on year

From Q3 2017 through to Q3 2019, more agents expected values to decrease than increase over that period. This trend reversed from Q3 2019 and is expected to continue for the foreseeable future, as reported in **Figure 10**. **Figures 9** (+3 months) and **10** (+12 months) are summaries of positive and negative responses from the survey. The actual responses in terms of those expecting an increase, decrease, and for values to remain the same tell an interesting story.

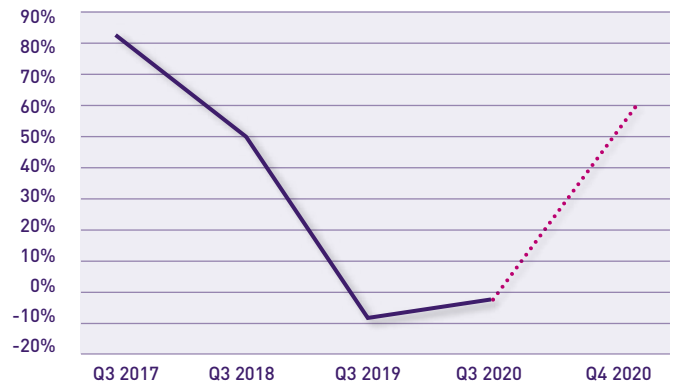
When comparing the results of Q3 2020 with the results from Q4 of the same year, one can see a notable upswing in sentiment. As of Q4 2020, 68% of estate agents expect to see an increase in property values over the coming 12 months, while 24% of agents expect values to remain the same.

This is a national picture and there can be many reasons why values are expected to increase, according to the latest sentiment. Demand for property is the ultimate driver of prices. New housing completions and relatively low output of new housing (mainly due to Covid-19) of late is one aspect that may increase values as demand outstrips supply.

The latest trend as a result of Covid-19, where demand for housing in less

densely populated areas is increasing prices in those areas, is one to watch and it will be interesting to see the overall impact that remote working prospects for the general employee will have on values outside major urban centres.

### Next 12 months – anticipated direction of property values (net balance)



**FIGURE 10:** Next 12 months – anticipated direction of property values (net balance). Net balance = Proportion of respondents reporting a rise in a variable (e.g., viewings) minus those reporting a fall (if 30% reported a rise and 5% reported a fall, the net balance will be 25%). Net balance data can range from -100 to +100.

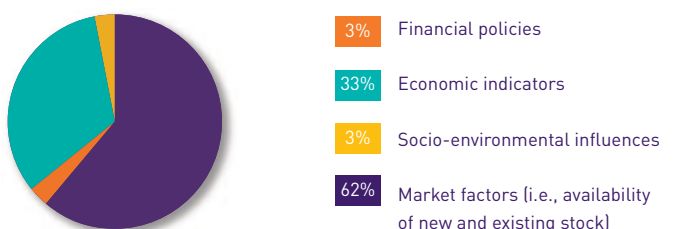
### Price expectations

When surveyed in the SCSi's National Property Outlook Survey,<sup>19</sup> agents in all regions reported expecting to see a net increase in property values over the coming 12 months. At a national level, agents expect overall national property values to increase by 4% over the coming 12 months. In Dublin, this sentiment is slightly tempered, with agents anticipating a 3% increase in property values. In Leinster (excluding Dublin), agents expect to see an increase in values of 4%. In Munster agents expect to see a higher increase of 5%, and in Ulster/Connacht agents expect to see a 6% increase in property values – the highest expectation in the regions.

### Factors underpinning house price expectations

The two main factors underlying estate agents' expectations for house price developments in Q4 2020 are economic indicators and market factors (**Figure 11**).

### Factors underpinning house price expectations



**FIGURE 11:** Factors underpinning agents' expectations of house price developments. (Numbers may not add up to 100% due to rounding.)

<sup>18</sup> Daft.ie House Price Report, Q4 2020.

<sup>19</sup> Issued in Q4 2020.

# REGIONAL OVERVIEW

CHARTERED ESTATE AGENT SENTIMENT





# THE DUBLIN MARKET

## House price expectations

As of October 2020, the CSO recorded a decrease in house prices in Dublin of 1.6% and a decrease of 0.6% in apartment prices. The highest house price growth in Dublin was in Fingal at 2.1%, while Dublin City saw a decline of 4.2% (CSO, October 2020). However, it is worth noting that in their Q4 2020 Housing Price Report, Daft.ie reported that across Dublin, listed prices rose by an average of 2.9% between September and December, the first time since 2017 that prices rose in the final quarter of the year.<sup>20</sup>

When surveyed in Q4, 59% of estate agents located in Dublin expected to see an increase in residential property prices in the county in Q1 2021. While 66% expected to see an increase in prices over the next 12 months, 25% expected house prices to remain the same.

## Rental market

The Dublin rental market saw rental inflation continue to moderate in Q3 2020, with year-on-year inflation at 0.9% for that quarter.<sup>21</sup> Chartered Estate Agents believe that locations of demand are expected to shift further in 2021, which may further bring down rental values in

some areas. However, if supply tightens in the latter stages of the year as more people return to working in the city, then the second half of the year could see a change to this.

## Outlook for 2021

Of the 70% of Dublin-based agents that cited market factors as the main underlying influence on their house price expectations, 53% identified the construction of new units as the main factor, and 44% chose the availability of second-hand units. It is unsurprising that a key concern for agents is a lack of a supply pipeline.

*"Demand exceeds supply in all the prime areas in the city, so prices in those areas will continue to be strong and slowly rise. Like ripples in a pond, the wave of price increases flows outward [across the city]."*

Chartered Estate Agent, Dublin

This lack of existing stock and supply is expected to result in an increase in house prices going into 2021.

Q4 sales enquiries and sales completed are both reported as strong in Dublin; however, sales instructions are down, as they are nationally.



**THE DUBLIN RENTAL MARKET SAW RENTAL INFLATION CONTINUE TO MODERATE IN Q3 2020, WITH YEAR-ON-YEAR INFLATION AT 0.9% FOR THAT QUARTER.**

<sup>20</sup> Daft.ie Housing Market Monitor, Q4 2020.

<sup>21</sup> RTB Rent Index, Q3 2020.



# THE LEINSTER MARKET

(EXCLUDING DUBLIN)

## Property price expectations

CSO statistics on annual percentage price change have recorded an increase of 1.3% in the south east (Carlow, Kilkenny, Waterford and Wexford), a 1.3% increase in the mid-east (Kildare, Louth, Meath and Wicklow), and an increase of 1.7% in the midlands (Laois, Longford, Offaly and Westmeath) up to October 2020.<sup>22</sup>

In Leinster, 51% of those surveyed in Q4 2020 expected property prices in the region to increase in the next three months, whereas 49% expected them to remain the same. However, in the medium term, 67% expected values to increase over the next 12 months and only 15% expected to see a decrease in values. In coastal towns such as Wexford, over 72% expected values to increase in the next three months and 89% expected this over the next 12 months. This is in contrast to a more cautious outlook from agents based in the commuter counties of Kildare, Wicklow and Meath, where only 35% expected to see an increase in property values in the next three months, and 58% expected to see an increase in values in the next 12 months.

## Outlook for 2021

Some agents in the region have reported seeing an increasing number of homeowners who, prior to lockdown, might have lived in more urban locations. The improvement of national infrastructure, including roads and broadband accessibility, together with the ability to buy bigger property for less, are cited as two key factors in this move towards more rural locations in Leinster.

*"There is a particular house type these buyers are looking at – it's the opportunity to purchase the larger family home with a spacious garden that is the attraction. And of course, good broadband is vital ... these buyers must have decent speeds, and where we have had fibre to the home connections, it has been a major attraction."*

Chartered Estate Agent, Leinster Region



<sup>22</sup> CSO Residential Property Price Index, October 2020.



# THE MUNSTER MARKET

## House price expectations

Some 52% of agents expect to see property values in the region rise in the next three months, while 43% expect those values to remain the same in Q1 2021. Some 76% expect values to increase in the region in the next 12 months.

Some 67% of agents cited market factors, including the availability of stock, as the key determining factor of their expectations for property values. Of the 67%, 62% cited the construction of new units as the main influential factor on their expectations of property value developments.

## Cork

Only 50% of agents in Cork expect to see property values rise in the county over the next 12 months, and 6% expect to see a decline in property values in the county. Indeed, 47% of those surveyed cited "economic factors", such as Covid-19, the impact of Brexit and the performance of the Irish economy as the main contributory factors for their house price expectations. This is in contrast to the rest of Munster and Dublin where market factors such as supply of property were chosen by 65% of agents and 70% of agents, respectively, as the main influencing factors.

Interestingly, house prices in the south west (Cork and Kerry) saw an annual percentage change of 3.3%, while the mid-west (Clare, Limerick and Tipperary) saw a decline of 4%.<sup>23</sup>

## Outlook for 2021

Lack of supply was commonly cited in Munster as an issue going into 2021. As with other regions, the impact of a delay in construction output due to lockdown in 2020 is notable in the availability of stock.

*"Demand is exceeding supply, and this is driving prices. Also, a lot of people seem to be returning home and expect to be working from home for the foreseeable future, and this is also creating more demand to a certain extent."*

Chartered Estate Agent, Munster Region

**ONLY 50% OF AGENTS IN CORK EXPECT TO SEE PROPERTY VALUES RISE IN THE COUNTY OVER THE NEXT 12 MONTHS.**

*"Lack of stock in the Kerry area has resulted in an increase in property prices. With no further construction identified for the new year, we would expect this trend to continue."*

Chartered Estate Agent, Munster Region



<sup>23</sup> CSO Residential Property Price Index, October 2020.





# THE CONNACHT/ ULSTER MARKET

MARKET FACTORS,  
INCLUDING THE  
AVAILABILITY OF STOCK,  
WERE THE MOST CITED  
INFLUENTIAL FACTORS  
FOR AGENTS' HOUSE  
PRICE EXPECTATIONS.

## House price expectations

Some 61% of agents expect property values in the region to increase over the next three months, while 79% expect to see regional property values increase over the next 12 months.

As with other regions, market factors, including the availability of stock, were the most cited influential factors for agents' house price expectations. Interestingly, the availability of second-hand units was the most commonly chosen factor within this bracket, which was chosen by 61% of participants. The construction of new units was chosen by 31% of agents.

## Outlook for 2021

Generally, agents in the region have reported an increase in prospective purchasers of rural and isolated properties. A number of agents have identified that the focus of sales in 2020 has been on second homes/ holiday homes.

*"The first lockdown had a bad impact, a lot of sales falling through due to the unknown of the virus; however, it then increased due to people leaving cities for a better quality of life. Holiday home sales and prices also increased to an unprecedented level."*

Chartered Estate Agent,  
Connacht/Ulster Region

*"Demand for holiday homes is currently extremely high ... As [the Covid-19] vaccine is rolled out over the coming 18 months, the demand for holiday homes may decrease but this is not looking likely at the moment."*

Chartered Estate Agent,  
Connacht/Ulster Region



### Society of Chartered Surveyors Ireland

The Society of Chartered Surveyors Ireland is the independent professional body for Chartered Surveyors working and practising in Ireland. One of our key objectives is to provide impartial, independent and authoritative advice on key issues for consumers, business and policy makers, as well as advancing and maintaining standards for Chartered Surveyors working in the property, construction and land sectors. All aspects of the profession, from education through to qualification and the continuing maintenance of the highest professional standards, are regulated and overseen through the partnership of the Society of Chartered Surveyors Ireland and the Royal Institution of Chartered Surveyors, in the public interest. While we are politically neutral, we are not policy neutral.



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The SCSi Annual Residential Property Review & Outlook 2021 is a sentiment report, which has captured over 780 responses from Chartered Estate Agents across the country, over four surveys, as they have assessed market activity over 2020 and into 2021.