



owenreilly

The Owen Reilly Report

Q3 2020



“Our overall transactions for this period were up 21% on the previous quarter as more sellers were encouraged to come to market given the pent-up demand.”

“The rental market has stabilised though the market is very favourable for tenants in terms of choice. Void periods have trebled and rents on apartments have now fallen 11.7% since March.”

Owen Reilly, Director

2020 has been a rollercoaster for the Dublin Residential Market with COVID-19 having a huge impact on the property market and indeed our very way of life. The market in April and May was frozen because of lockdown measures. June was a very busy month with pent-up demand from very motivated buyers and this huge pickup in activity continued into July and August which was an extremely busy period. So far, it appears that the majority of our buyers have not been financially impacted by COVID-19.

This quarter our average selling prices were 1.2% below asking prices compared to +3.48% in Q2. We would put this down to a number of factors; bullish vendors coming to market (our average asking price was 16% higher than Q2), some of the pent-up demand from lockdown is dissipating and an increase in supply compared to Q2, though according to Myhome.ie the number of properties for sale in Dublin is still 20% lower for the same period last year.

Q3 ended on a positive note after a particularly busy summer. Our average selling price was €477,706 or €576 per sq. ft. Our transactions for this period were 21% up on the previous quarter

as more sellers were encouraged to come to market given the pent-up demand. 65% of our buyers were owner occupiers, we saw a pickup in activity from investors and 58% of our buyers are buying with cash funds. 42% of our vendors are landlords selling investment properties. With most of our buyers now owner occupiers, the amount of available rental units in Dublin continues to deplete. Our fall through rate was only 11% below the average of 22% and much lower than the 47% fall through rate we saw in Q2 which reflects how motivated buyers are at this time.

Longer-term, for-sale market conditions will depend on the wider economic recovery and the containment of COVID-19. At the time of writing this report the government have just announced level 5 lockdown measures. Thankfully the industry will be allowed to carry out physical viewings on properties so transactions will not be curtailed as much as the first lockdown.

The rental market has stabilised though the market is very favourable for tenants in terms of choice. Void periods have trebled and rents on apartments have now fallen 11.7% since March. However, rents on houses have increased with a significant lack of supply of

good quality houses in all areas. One-bedroom apartments are proving difficult to rent as couples shun them given the lack of space to work from home. Most new planning applications in Dublin comprise of studios and 1 bed units, something for developers to consider perhaps. We are increasingly receiving enquiries from tenants who left us during lockdown who are returning to Dublin in January, in many cases their employers have instructed them to return.

43% of our tenants are working in the technology sector, the majority of whom are

working from home. 34% of our tenants across Dublin are European and 22% are Irish. In our managed portfolio, rent collection was back to pre-covid levels and we did not have to offer any abatements to tenants.

Key findings:

- Selling prices 1.2% below asking prices
- Sales transactions up 21% compared to Q2
- 65% of our buyers are owner occupiers
- 42% of our sellers are landlords exiting the market
- Rents have fallen 11.7% since March



3 Northfield, Donnybrook, Dublin 4, 2 bed apartment sold for €875,000

Dublin residential sales market

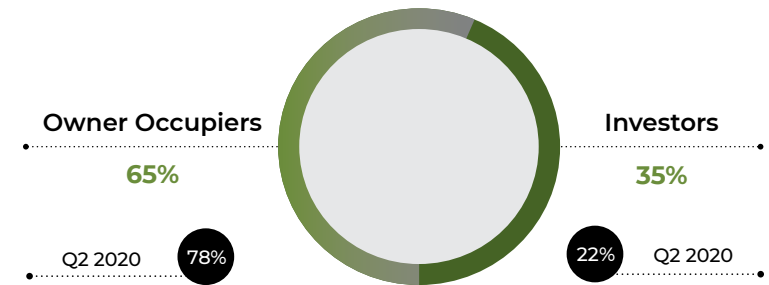
Q3 transactional data (compared with Q2 2020)

Average asking price:	Average selling price:
€483,529	€477,706
Asking v selling price:	Weeks on market:
- 1.20% (+3.48%)	11.8 (14.3)
Fall through rate:	Average price per sq.m. / sq.ft.
11% (47%)	€6,196 / €576 (-0.2%)

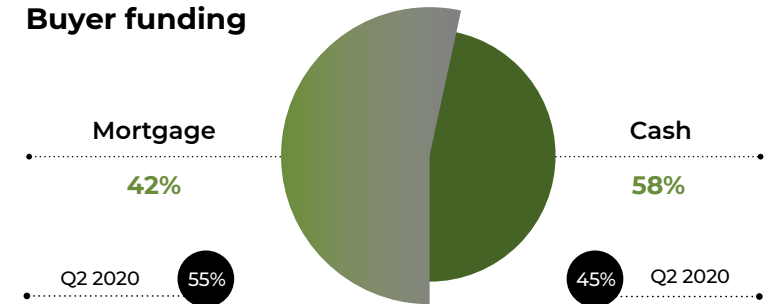


38 The Warehouse, Dublin 8, 1 bed penthouse, sold for €570,000

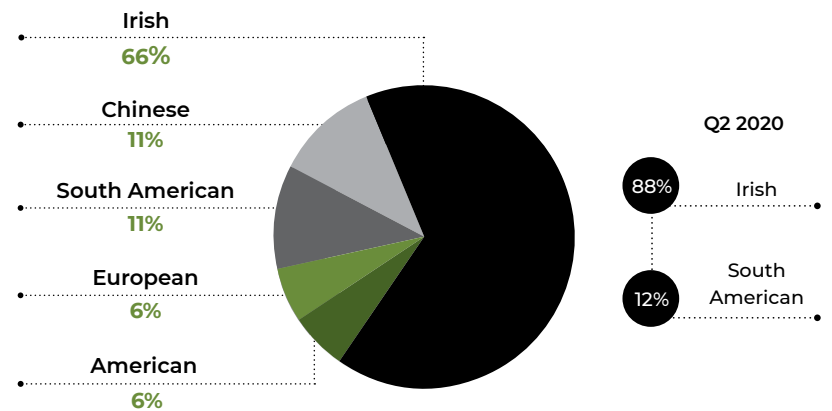
Buyer profile



Buyer funding



Nationality of buyers



Dublin residential rental market

Q3 transactional data (compared with Q2 2020)

Average monthly rents

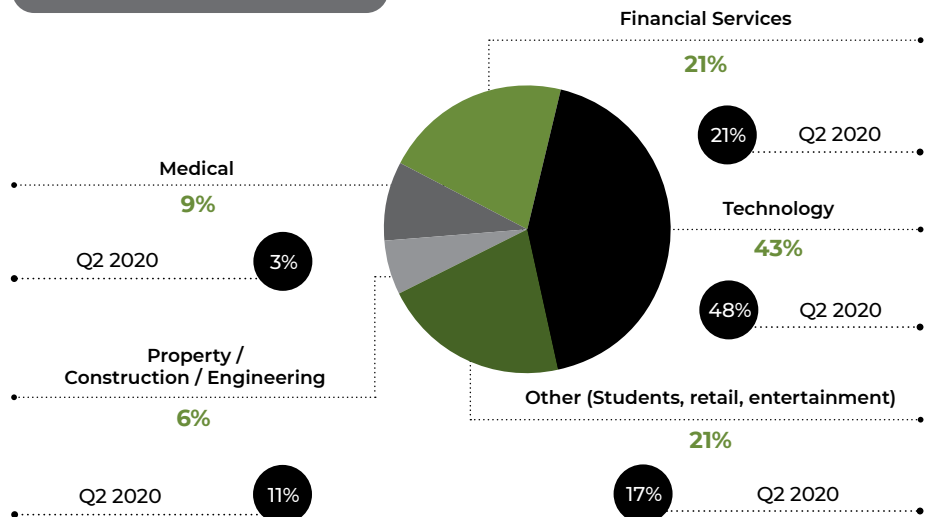
One bedroom apartments	Two bedroom apartments	Three bedroom apartments
€1,822 (€1,790)	€2,109 (€2,320)	€3,140 (€3,450)
Average monthly rent	Average combined salary	Rent inflation
€2,259 (-3%)	€111,111 (-6.63%)	-4.7%



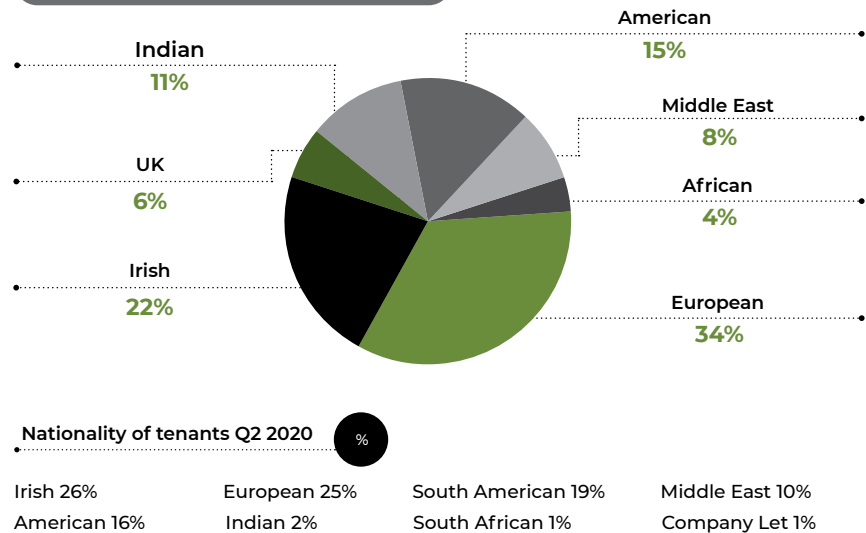
36 Shelbourne Road, Dublin 4, Let for €5,000 per month

Tenant profile

Work sectors



Nationality





Find your Place @ owenreilly.ie

Owen Reilly
41 Forbes Quay
Grand Canal Dock
Dublin 2

 **+353 1 677 7100**
 **hello@owenreilly.ie**
 **www.owenreilly.ie**

The information in this document is based on transactions only and our observations of the market. However, Dublin comprises unique and diverse neighbourhoods and features many very different developments. We will be pleased to provide more detailed breakdowns or background information to particular areas or developments.

PSRA Licence Number 002370

