



owenreilly

The Owen Reilly Report

Q4 2020



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“New rental activity remained elevated as renters were drawn into the market by the enhanced affordability.”

Owen Reilly, Director

2020 ended on a positive note given the year that was. Unsurprisingly, sales were down due to restrictions placed on showings earlier in the year and uncertainty surrounding Brexit and the American Presidential election. The average selling price this quarter was 2% below asking at €533,750/538 per sq. ft. but this reflects the bullish expectations of sellers at the start of the Autumn season.

Many of our listings, particularly turn-key houses, sold well above asking in November and December. It was mainly apartment sales that impacted on the overall average selling price. The number of sales transactions surged from the previous quarter heading into another level 5 lockdown but unsurprisingly remained short of the level reached in the same period a year ago.

Selling times were a little longer averaging 14.5 weeks compared to 11.8 weeks last quarter. The market share of cash buyers fell to a new low as mortgage rates proved attractive and we saw less activity from investors. The price trend indicators showed mixed results from prior-year levels as sales activity improved at the upper end of the market where it appears that the

majority of our buyers have not been financially impacted by COVID-19.

75% of our buyers were owner occupiers, a record high for us since we started trading in 2008. We saw a fall in investor activity and worryingly for tenants 78% of our apartment vendors are landlords exiting the market so the number of available rental units continues to deplete.

New rental activity remained elevated as renters were drawn into the market by the enhanced affordability. This year saw the largest year over year decline in rental values in more than nine years. The luxury apartment market in particular has been challenging with many landlords offering lower rents and generous move-in incentives, savvy apartment-seekers have been able to secure apartments that may have once been out of reach before.

However, there is now a huge build-up of activity in January with many technology employees returning to Dublin. 52% of our tenants this quarter across Dublin are working in the tech sector.

As we head in to 2021, we expect prices to

stabilise near current levels and demand to increase as buyers we are dealing with are really motivated. November saw a record number of buyers being approved by banks for mortgages. A lot will depend on sellers feeling more comfortable putting their home on the market. With the vaccination process underway shortly, we are very optimistic about the coming year. Overall, the residential market did prove to be very resilient in 2020.

Key findings:

- Selling prices 2% below asking prices
- Sales transactions up 10% compared to Q3
- 75% of our buyers are owner occupiers
- 48% of our sellers are landlords exiting the market
- Rents have fallen 11.7% since March though have now stabilised



2 Gilbert Road, The Tenters, Dublin 8, 3 bed house, sold for €676,000

Dublin residential sales market

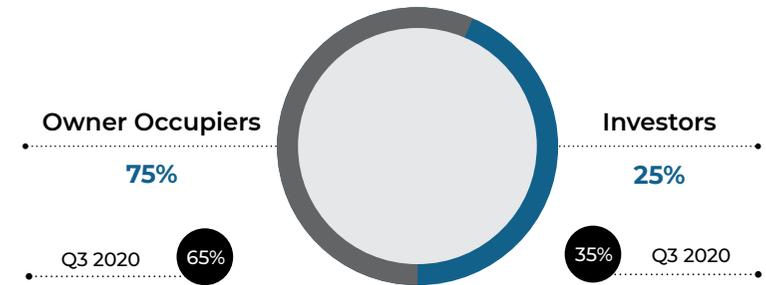
Q4 transactional data (compared with Q3 2020)

Average asking price:	Average selling price:
€544,583	€533,750
Asking v selling price:	Weeks on market:
-2% (-1.20%)	14.5 (11.8)
Fall through rate:	Average price per sq.m. / sq.ft.
10% (11%)	€5,793 / €538 (-6.6%)

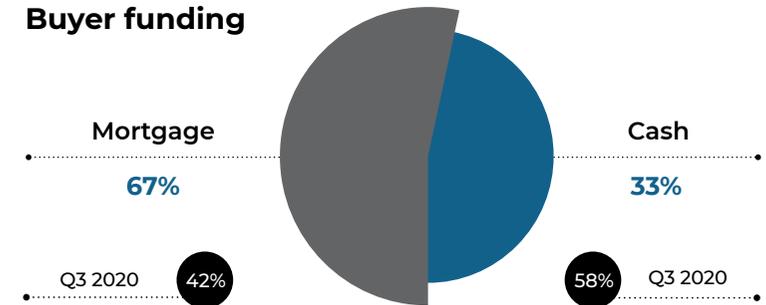


132 Ringsend Park, Ringsend, Dublin 4, 4 bed house, agreed at €875,000

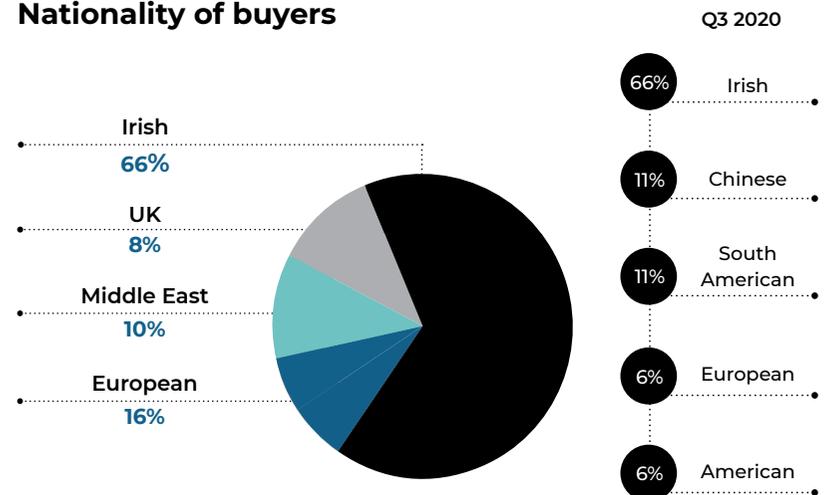
Buyer profile



Buyer funding



Nationality of buyers



Dublin residential rental market

Q4 transactional data (compared with Q3 2020)

Average monthly rents

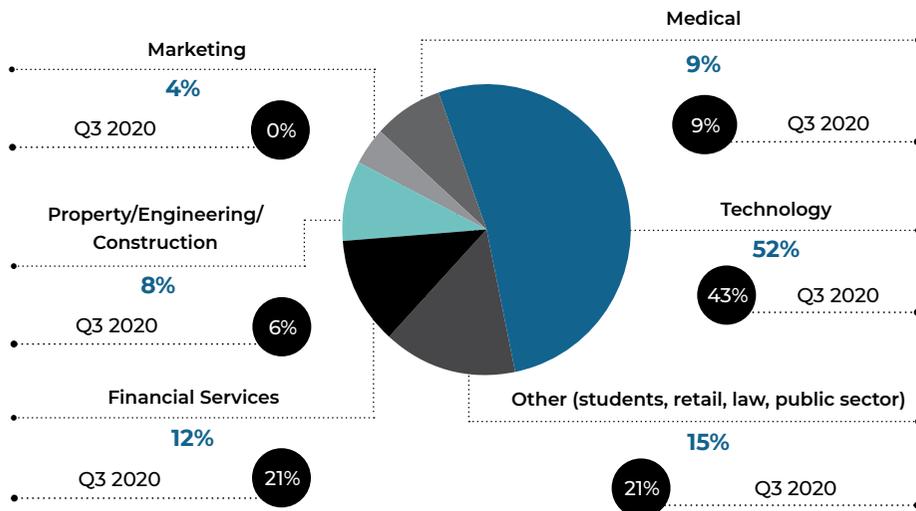
One bedroom apartments	Two bedroom apartments	Three bedroom apartments
€1,689 (€1,822)	€2,088 (€2,109)	€3,133 (€3,140)
Average monthly rent	Average combined salary	Rent inflation
€2,162 (-4.3%)	€102,937 (-7.4%)	+0.2%



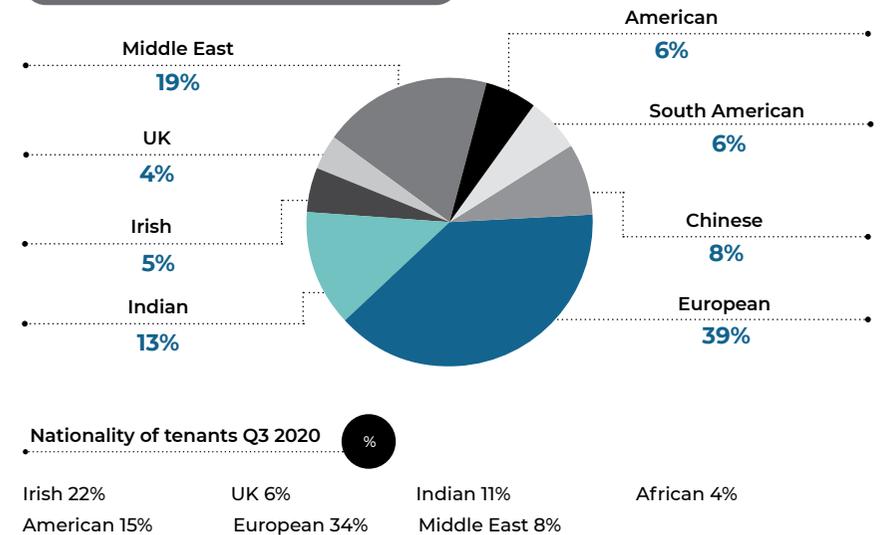
Penthouse at the Waterfront, Grand Canal Dock, Dublin 2, Let for €6,000 per month

Tenant profile

Work sectors



Nationality





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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.

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