

The Dublin Residential Market Report 2022

Our annual report on the Dublin Residential Market is based on data from our sales and rental transactions in 2021. The year started with Dublin in a Level 5 lockdown and in-house property viewings restricted. In March, there was a pickup in activity when a cohort of buyers agreed sales without physically visiting properties out of pure necessity because they had sold their existing property or were overseas and unable to travel to Ireland. It is likely this trend of buying virtually will remain when the pandemic is over with technology playing a big role, especially with investors and those buying second homes in Dublin.

The return of in-house viewings in April led to the unleashing of pent-up demand at the exact moment there was an historically low supply of properties for sale, about a third lower than the same period in 2019. This supply and demand mismatch created a seller's market with our average selling prices 4.6% above asking. 53% of our properties were sold above the asking price. At the upper end of the market some houses in turn-key condition were selling as much as 20% above asking and in a matter of weeks.

This demand was driven by the desire for more space, Irish families returning home from overseas; their return accelerated by the pandemic, non-Irish technology executives buying instead of renting, and early inheritance where parents are providing their children with large deposits so they can bridge the affordability gap. A new trend we witnessed was wealthy Irish families buying second homes in Dublin who

accounted for 12% of our buyers. In the second half of the year there was an increase in properties coming to market and this cooled price inflation with our average selling prices only 0.9% above asking in Q3. Our total number of sales transactions was 13% higher than 2020. More than half of our buyers required no mortgage funding whatsoever. 69% of our owner occupier buyers are first-time buyers compared to 54% in 2019, so first-time buyers are certainly motivated to buy given low interest rates and the dysfunctional rental market. Mortgage lending is now at the highest level seen since 2018 with €10.5 billion worth of home loans drawn down in 2021, according to figures from the Banking and Payments Federation Ireland.

Our average selling price was €571,561 or €586 per sq. ft, up 6% compared to 2020. Average selling prices were 2.2% above average asking prices which fluctuated throughout the year from over 2% below asking in Q1 to over 4% above asking in Q2 reflecting lockdown measures and low supply. Over 60% of our sellers are landlords so worryingly the supply of rental properties continues to deplete which will deepen the accommodation crisis in Dublin given large offices are set to reopen this spring. We did see increased activity from investors in the second half of the year and they accounted for 31% of buyers which is lower than the 38% we recorded in 2019.

From the autumn we saw increased demand for apartments and townhouses in the city centre as lockdown measures were removed

and values have now recovered after falling in 2020. There has been a strong recovery in rental values across our portfolio. Rents fell over 11% in 2020 as demand collapsed and supply in parts of Dublin doubled. Demand is now back to pre-pandemic levels and there is historically low supply of properties available given the exodus of small landlords and planning delays on build to rent schemes. We expect to rent about 25% less properties this year compared to 2019. Rental values surged 7% in the second half of 2021, and we believe will be back to pre-pandemic levels before the start of the summer.

Our average rent per month is now €2,146. Our typical tenant is 32 years of age, European and working in the technology sector (43% of tenants). This is much lower than the 68% we recorded in 2019; this reflects 'work from anywhere' policies many of the technology companies have adapted. It will be interesting to see how many of their employees will return to Dublin now with Covid restrictions lifting and offices reopening.

The outlook for this year will be dictated on how the pandemic is managed, interest rates, and the supply of properties coming to market. Demand is very robust and strongest up to €400,000 where first-time buyers and investors are most active. We believe values will rise by at least 5% and some price ranges or property types could see increases higher than this. Demand will be highest for family homes and penthouses in turn-key condition. Unfortunately, our data confirms the accommodation crisis in Dublin is set to get worse before it gets better.

Market Highlights

Average Selling Price

€571,561

Average Buyer Age

41

Average Tenant Household Salary

€117,177

Asking Price v Selling Price Variance

+2.2%

% of Cash Buyers

56%

Average Monthly Rent

€2,146

Average Selling Price per sq. ft.

€586

% of Owner Occupier Buyers

69%

Average Tenant Age

32

% Properties that sold above asking

53%

% of Sellers who are Landlords

63%

% of Tenants working in technology

43%

Sales Fall Through Rate

15%

Weeks On Market

14.6

% of Irish Tenants

30%

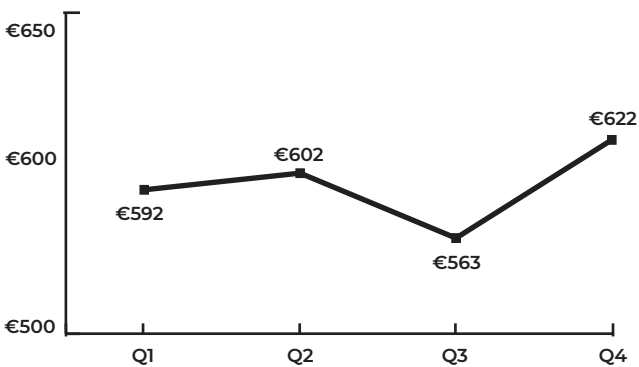
Dublin Residential Sales Market

2021 Transactional Data (compared with 2020) % Percentage difference with 2020

€559,101 (€471,494) +17% Average Asking Price:	€571,561 (€470,684) +19% Average Selling Price:	+2.2% (-0.17%) Asking Price V Selling Price Variance:
14.6 (12) +19% Weeks On Market:	15% (22%) Fall Through Rate:	€6,338 / €586 (€5,956 / €553) +6% Average Selling Price per sq. m. / sq. ft.

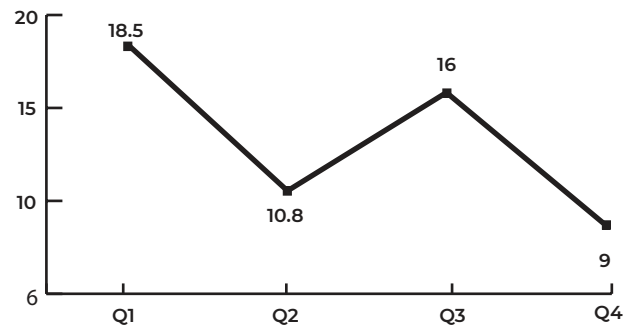
Quarterly Analysis

Average Selling Price per sq. ft.



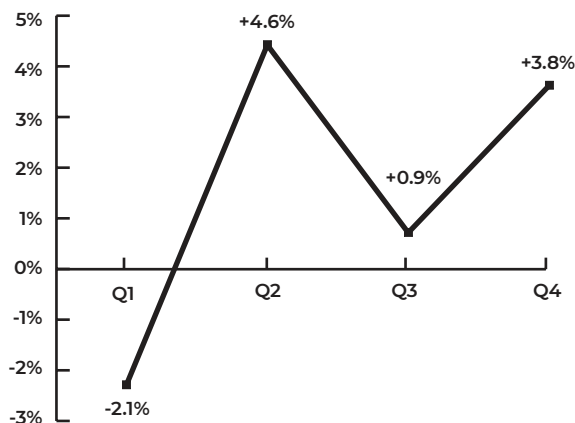
84 Ranelagh, Dublin 6. Sold for €1,440,000

Weeks On Market



28 Hanover Dock, Grand Canal Dock, Dublin 2. Sold for €1,700,000

Asking Price V Selling Price Variance

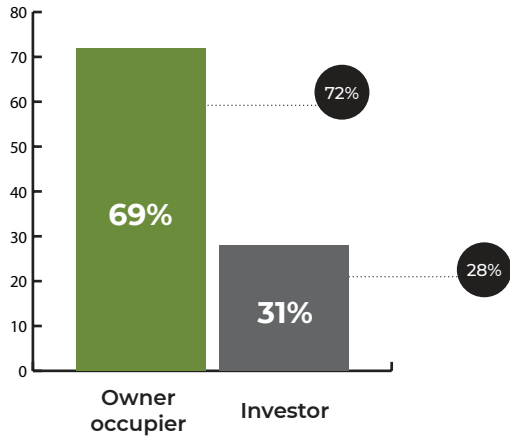


45 Pearse Square, Dublin 2. Sold for €1,150,000

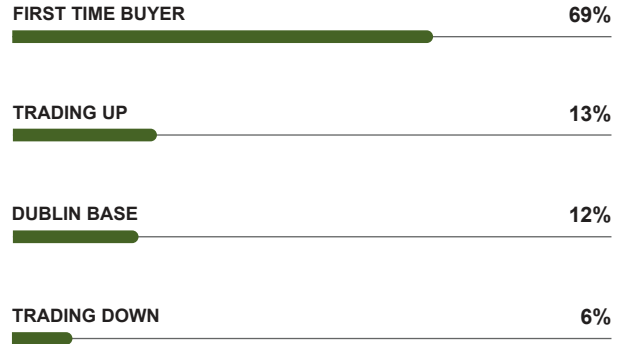
Buyer Profile

% 2020 Data

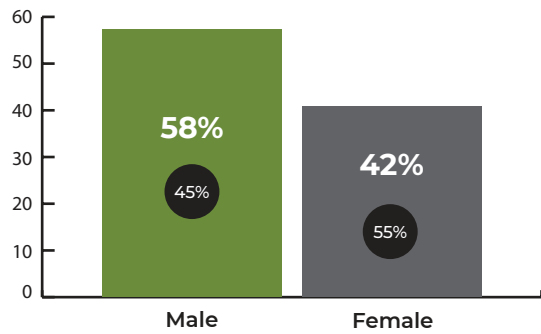
Type



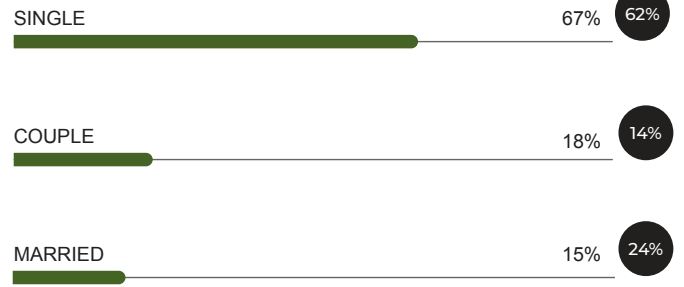
Breakdown of Owner Occupier



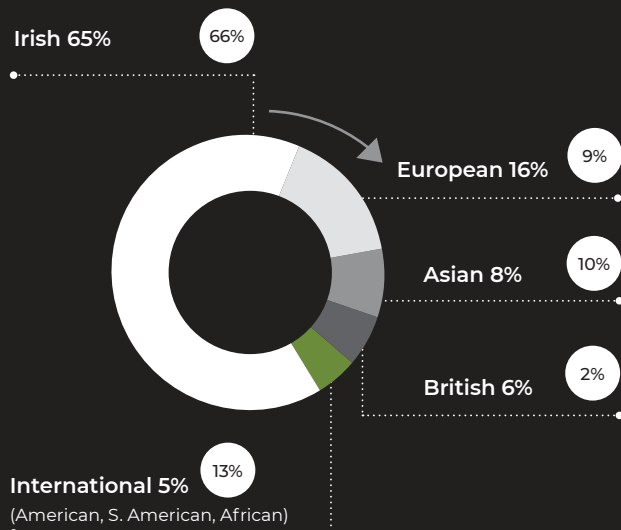
Gender of Single Buyers



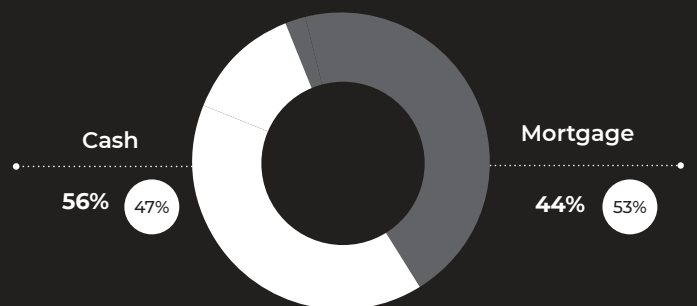
Status of Buyers



Nationality



Funding



Dublin Residential Rental Market

2021 Transactional Data (compared with 2020) % Percentage difference with 2020

€1,831 (€1,833) -0.1%

Average One Bed Monthly Rent:

€2,123 (€2,202) -3.6%

Average Two Bed Monthly Rent:

€3,047 (€3,099) -1.7%

Average Three Bed Monthly Rent:

€2,146 (€2,263) -5.3%

Average Monthly Rent:

€117,177 (€115,347) +1.5%

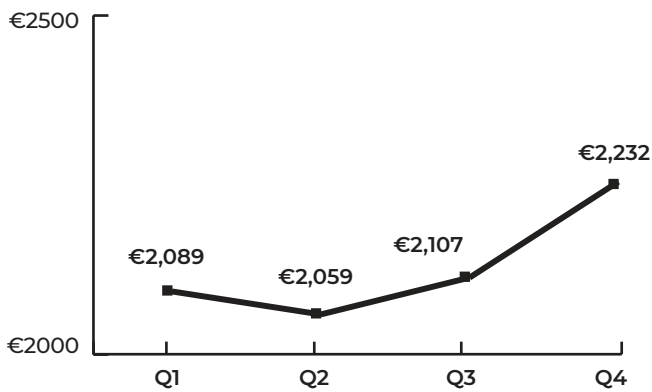
Average Household Salary:

+7% (-10.9%)

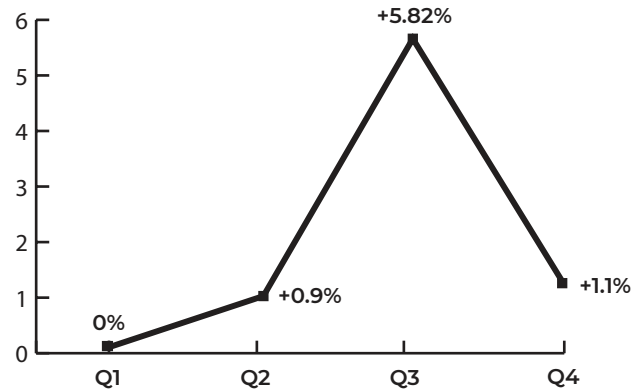
Rent Inflation:

Quarterly Analysis

Average Monthly Rent

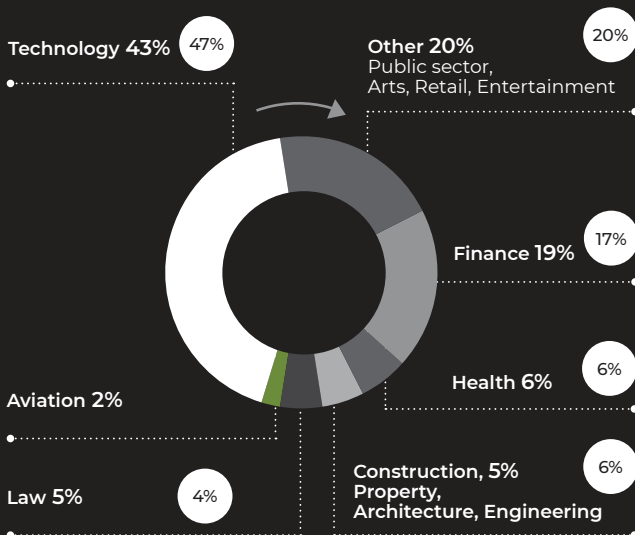


Rent Inflation

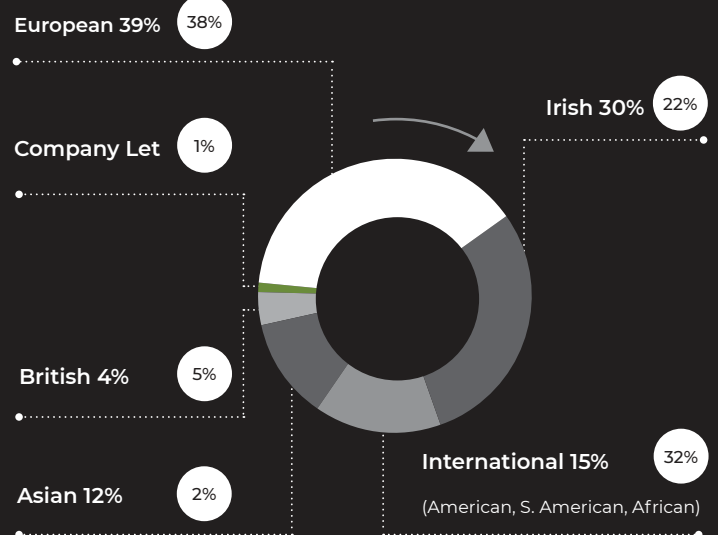


Tenant Profile % 2020 Data

Work Sectors



Nationality






owenreilly

The Doors of Dublin we have sold



We would love to sell yours!

Owen Reilly
41 Forbes Quay,
Grand Canal Dock,
Dublin 2.

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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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