



## Irish mortgage market grows to €12.6bn in 2024

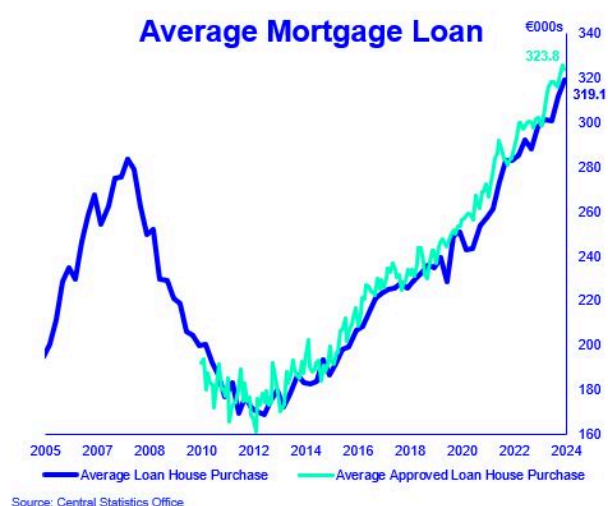
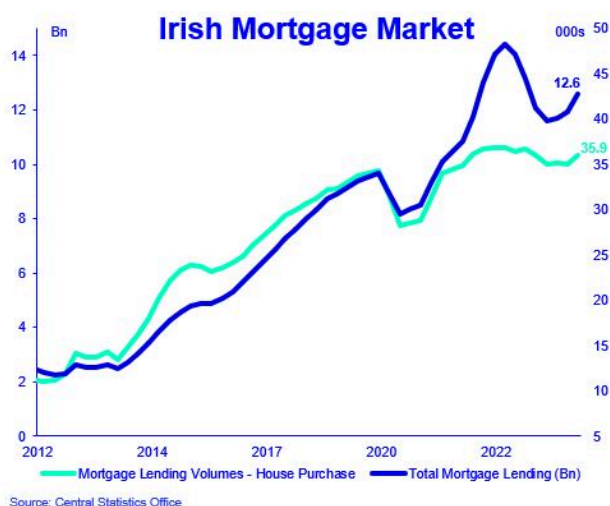
*This morning's Banking & Payments Federation Ireland (BPMFI) data show that Ireland's mortgage market grew to €12.6bn in 2024, up from €12.1bn in 2023. The growth in the mortgage market came despite flat mortgage lending volumes, instead relying on a 6% rise in average mortgage loan for house purchase to €309,000. Crucially, first-time-buyer lending volumes rose by 2.5% in 2024 and drawdowns on newly built homes by 11%, to their highest levels since 2007 and 2008 respectively. Rather, the weakness in housing market liquidity was concentrated amongst movers, already with mortgage debt. Hence, the total stock of mortgage debt grew by 2.9% in the year to November to €85bn, the fastest pace of expansion since the Celtic Tiger period.*

**Irish mortgage market grows to €12.6bn in 2024:** This morning's Banking & Payments Federation Ireland (BPMFI) data show the Irish mortgage market grew from €12.1bn in 2023, up 4%, to €12.6bn in 2024. This expansion of lending came despite a 16.5% fall in re-mortgaging activity to €1bn, whereas house purchase loans rose by 6.3% to €11.1bn and 'top-up' loans by 10% to €372m. House purchase drawdowns are now at their highest level since 2008. However, total mortgage lending was still below the €14.1bn recorded in 2022, but entirely due to the sharp decline in re-mortgaging activity.

**New build homes make up for illiquid existing homes market:** Mortgage lending volumes were flat compared with 2023, at 35,900 loans for house purchase. However, first-time-buyer lending volumes rose by 2.5% to 26,242, their highest level since 2007. In contrast, mover lending volumes fell 6% to 9,000 in 2024, still down 20% on 2019 levels. The message is that demand from first-time-buyers remains robust, but existing homeowners were put off moving by ECB rate hikes and for fear of failing of securing a property in Ireland's tight housing market. Hence, mortgage drawdowns on newly built homes rose by 11% to 11,750 in 2024, a 16-year high, but on existing homes fell 4% to 24,000.

**House price inflation driving mortgage lending upwards:** Given lending volumes were flat in 2024, the growth in the mortgage market to €12.6bn entirely reflected homebuyers taking on higher levels of mortgage debt. The average mortgage loan was €309,000 in 2024, up 6.3% on 2023. This rise reflects pay growth, running at 5% and a degree of additional leverage. In H1 2024 the average first-time-buyer loan-to-income ratio was 3.37x, up from 3.31x in 2023. This process looks set to continue in 2025. The average approval for house purchase was €323,800 in December 2024, up 7.2% on the year.

**Q4 2024 saw a rebound in housing market and mortgage lending activity:** There were €3.95bn of mortgage loans drawn down in Q4 2024, up 20% on the year. This was mainly accounted for by a 10% rise in mortgage lending volumes for house purchase. The average drawdown was €319,100, up 7.3% on the year. The data show that while mortgage lending was subdued in calendar year 2024, there was a clear recovery in the final quarter. Encouragingly, new listings for sale on MyHome in Q4 2024 were up 12.5% on the year, suggesting this improvement in housing market liquidity should continue into 2025.



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