



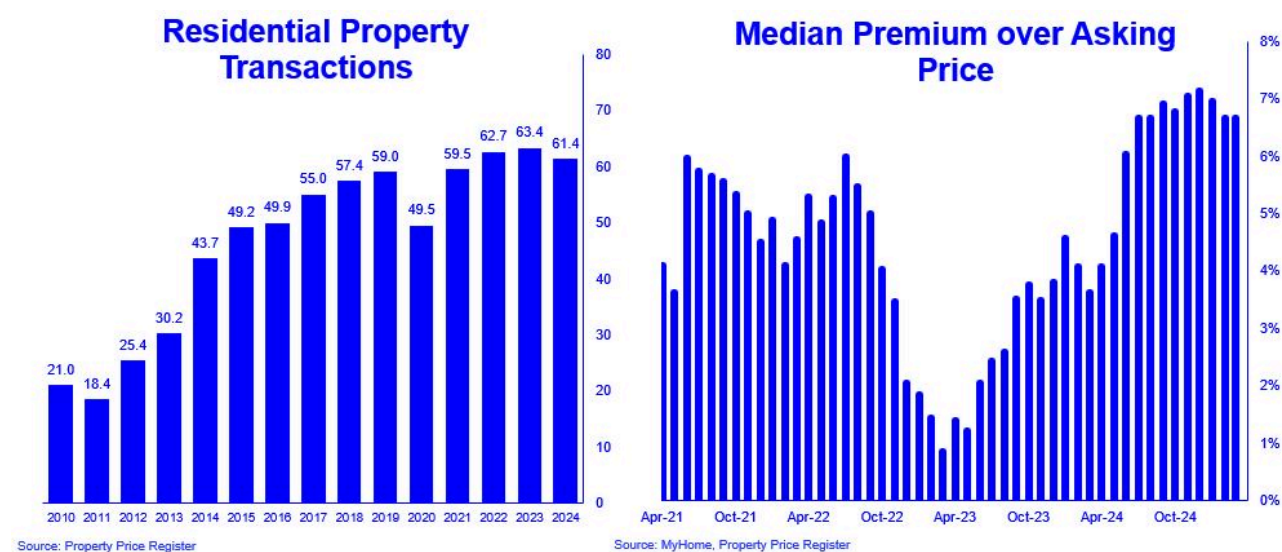
## Irish housing transactions see modest growth in Q1

*There are now sufficient residential transactions recorded on the Property Price Register for us to assess trends in early 2025. We estimate transaction volumes in January and February were up 3% on the year, modest growth, but merely serving to reverse the 3.5% fall in transactional activity to 61,000 in calendar year 2024. The underlying story remains that the lack of homes for sale, particularly amongst the existing stock rather than new-build, is hindering Irish housing market liquidity from picking-up. Hence, we estimate that homes were still being sold 7.8% on average above the original MyHome asking price in Q1 2025, indicative of intense competition amongst homebuyers. One-in-seven homes is being sold 20% above asking. Looking forward, rising pay and leverage contributed to the average mortgage approval rising to €318,400 in January, up 6.7% on the year, pointing to further house price rises in 2025.*

**Modest growth in residential transactions in Q1 2025:** There are now sufficient residential transactions on the Property Price Register (PPR) for us to make our first estimate of how transaction volumes fared in the first quarter. So far, €3.8bn, or 9,047 individual transactions have been recorded, €420,000 on average, in 2025. We estimate this means residential transaction volumes in January and February were up 3% on the year. If continued, this modest expansion would merely reverse the 3.5% decline in residential transactions from 63,300 in 2023 to 61,000 in 2024. The underlying story here is that the lack of housing supply has hindered transactional activity from picking-up from illiquid levels.

**Homes selling for 7% above original asking price in early 2025:** A gauge of the heat in the housing market is the extent to which homebuyers are bidding up final transaction prices. In Q1 2025, residential properties were being sold 7.8% on average above the original MyHome asking price, or 6.7% at the median. One-in-seven are being sold 20% above asking. In Dublin, the premium was 8.8% on average. However, these premia are similar to those in Q4 2024, having picked up from 5-6% at the beginning of 2024. This provides a tentative signal house price inflation may slow. The CSO's official measure of RPPI inflation was 8.1% in January, but down from the 10% peak in August.

**Mortgage approvals point to further house price gains:** A combination of pay growth and gradually rising leverage has driven Irish house prices higher. In H1 2024, the average first-time-buyer loan-to-income ratio (LTI) was 3.37x, up from 3.2x in 2022, prior to the relaxation of the Central Bank's mortgage lending rules. Also, the average first-time-buyer income had increased to €90,000 in H1 2024. These forces look set to drive another robust rise in house prices in 2025. In January, the average mortgage approval for house purchase was €318,400, up 6.7% on the year. The volume of mortgage approvals for house purchase was up only slightly in January, by 1% to 2,745.



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