



MyHome report shows asking price inflation easing to 7%

The Q2 2025 MyHome report in association with Bank of Ireland was published this morning. Asking price inflation moderated to 7% in Q2 2025, and to 5% in Dublin. House price inflation is now slowing towards the current pace of wage growth (5.6%) down from double-digit territory last summer. Nonetheless, market conditions are still very challenging. At end-June just 12,563 properties were listed for sale on MyHome, vs 20,000 pre-Covid. The average time-to-sale-agreed remains close to a historic low (2.6 months). Such is competition amongst homebuyers that the average residential transaction in Q2 2025 was settled 7.5% above the original asking price and one-in-six transactions by more than 20% above asking. Overall, the report's findings support our view a mid-single-digit rise in house prices close to 5% is likely through 2025.

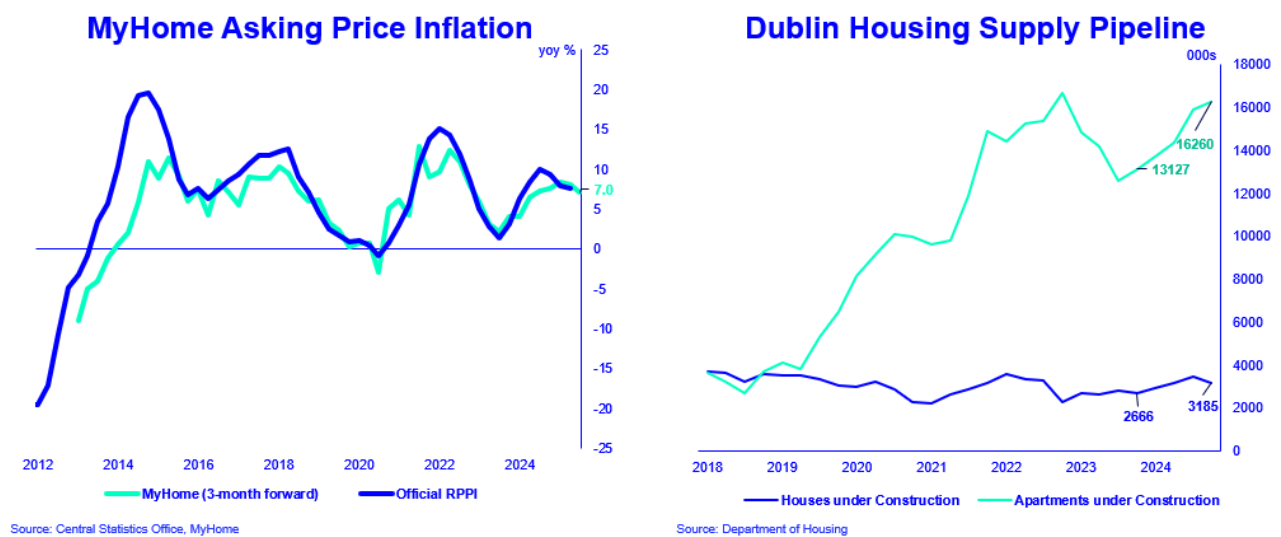
Asking price inflation eases to 7% in Q2 2025: This morning's MyHome report shows asking price inflation easing to 7% in Q2 2025 (down from 8.1% in Q1) and to 5% in Dublin. The median price was €395,000. Asking prices typically see substantial gains in the first half of the calendar year, ahead of the busy summer trading season, before flattening off. In Q2 2025, asking prices rose 4% on Q1. This is still a substantial price rise. Nonetheless, the bigger picture is that house price inflation is moderating from the double-digit levels seen in 2024, closer to the current pace of wage growth, currently 5.6%.

Little sign of Trump-tariff uncertainty hurting sentiment: Surveys of Irish consumer confidence fell to 2-year lows in April, following the announcement of President Donald Trump's '*Liberation day*' tariffs. However, there is little evidence the more uncertain economic environment has affected key decisions by Irish households. Competition for homes remains intense. In Q2 2025, residential transactions were still being settled 7.5% above the original asking price. One-in-six homes is being sold 20% or more above asking.

Still a difficult market for homebuyers: Housing availability remains very tight, but at least is no longer deteriorating. There were 12,563 properties listed for sale at end-June on MyHome, up slightly by 1% on the year. The average time-to-sale-agreed remains close to a historic low of 2.6 months. Transactional activity has seen a slight recovery in 2025, having fallen back by 3% in 2024. The Property Price Register (PPR) indicated that €9.8bn, or 22,000 residential transaction volumes have been recorded so far in 2025. We estimate this represents 2% growth in transaction volumes, so only a partial rebound.

Mortgage market data point to 'mid-single digit' inflation: Demand for housing remains robust. There were 17,138 mortgage approvals in the first five months of 2025, up 3.8% on the same period of 2024. In May, the average mortgage approval for house purchase was €337,000, up 6.7% on the year. We now know the average first-time-buyer (FTB) loan-to-income (LTI) ratio in 2024 was 3.4x, up from 3.2x in 2022, following the relaxation of the Central Bank mortgage lending rules. The average age for first-time-buyers was 35.5 years in 2024, up from 34 years in 2018.

Some improvement in homebuilding still likely in 2025: Public attention has focused on how many houses will likely be completed in 2025, following the disappointing 30,000 out-turn in 2024. We still think some improvement is likely. The '*4Dublin Housing Supply Pipeline*' figures are the only survey of current homebuilding activity (see chart below). These data show there were 19,445 houses and apartments under construction in the capital at end-2024, up 23% on the year. However, whatever the out-turn for housing completions in 2025, it looks set to fall well short of the 50-60,000 units required.



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