



Irish housing transactions now settled €30,000 over asking

*Yesterday, we published the latest Bank of Ireland, MyHome report on the Irish housing market. Asking price inflation slowed to 5.7% in Q3 2025. This is a welcome sign house price rises are moderating, closer to the current pace of pay growth (5.3%). So the recent deterioration in affordability is easing. Nonetheless, the market remains very difficult for homebuyers. At end-September there were just 13,000 units listed for sale on MyHome. The typical property takes just one month to go sale agreed. Such is the competition for homes the median transaction in September was settled 8%, or €30,000, above the original asking price (see chart below).*

*Meanwhile, transaction volumes have staged only a partial 1.3% bounce-back in 2025 after a 3% contraction in 2024. While, demand from first-time-buyers clearly remains strong, existing homeowners in Ireland are very reluctant to sell their own home, for fear of failing to purchase another. On a brighter note, housing completions were 32,700 in the twelve months to June, the strongest figure since the Celtic Tiger era. Looking ahead, an encouraging sign is that the Q1 2025 4Dublin Housing Supply figures show 22,700 units were under construction in the capital, up 27% on the year.*

**Asking price inflation slows to 5.7% in Q3 2025:** Yesterday, we published the Bank of Ireland-MyHome report on the Irish housing market. MyHome asking prices fell by 0.4% during Q3 2025, as they often do during the summer months, but with the annual rate of inflation slowing to 5.7%. This is the softest pace in two years, and closer to the current pace of pay growth (5.3%). Asking price inflation decelerated in Dublin, to 4.8% and was 6.2% in the rest of Ireland. The upshot is that we now expect the CSO measure of Residential Property Price Inflation (RPPI) to show a 6% rise through 2025.

**Competition amongst homebuyers drives median transaction price to 8% over asking:** The gap between asking and transaction prices was 8% at the median, or €30,000, in September. Remarkably, close to one-fifth of transactions are being settled by 20% or more, above the original asking price. This points to intense competition amongst homebuyers, but also a level of dysfunction in the property market. In many cases the original asking price is clearly not a good gauge of affordability, misleading prospective homebuyers. In the UK, residential market transactions are typically settled at a small discount to the asking price, accompanied by far healthier levels of market liquidity.

**Affordability being stretched:** The average residential property transaction in Q2 2025 was €426,000, now eight-times average annual earnings of €53,000. On this metric, affordability is now at its most stretched since 2009. Of course, it's worth bearing in mind there is a distribution of prices and the median transaction was lower, at €380,000. Also, average earnings include part-time and full-time workers. It also still makes sense to buy over renting. The average national rent of €1,700 per month implies rental yields still exceed 5% in most counties, well above mortgage interest rates of 3-4%.

**Still a difficult housing market for homebuyers:** At end-September there were 13,000 properties listed for sale on MyHome, broadly flat on the year, but still well down on levels closer to 20,000 pre-Covid19 pandemic. However, the market is turning over ever more quickly. Residential listings now typically take just over one-month to go sale agreed. So the stock of homes listed for sale on MyHome at any given time can give a misleading view of liquidity. That said, the 1.3% growth in residential transaction volumes thus far 2025 is disappointing, following the 3% fall to 61,385 in 2024.

**Existing homeowners especially reluctant to move:** Ireland's housing market liquidity remains weak, most pronounced amongst existing homeowners. There were almost 27,000 mortgages drawn down by first-time-buyers in the year to June 2025, the highest figure since 2008. There is clearly no lack of demand from this group. However, movers drew down just 9,200 mortgages in the twelve months to June 2025, 20% lower than 2019 levels and close to a 10-year low (excluding the pandemic). Existing homeowners seem reluctant to move, for fear of securing a home once they sell their own.

**Brighter news on housing completions:** At the turn of the year concerns had been expressed homebuilding might contract in 2025, following a disappointing 30,200 out-turn for completions in 2024. However, these dour predictions have proved wide-of-the-mark. There were 32,700 completions in the twelve months to June, the highest total since the Celtic Tiger period, and on track to meet our forecast for 34,500 completions in 2025. Further, the latest 4Dublin Housing Supply Pipeline figures show that in Q1 2025, there were 22,700 units under construction in the capital, up 27% on the year, an encouraging sign.

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