Economics Weekly

Bank of Ireland

Irish housing completions rise to 33,000 in year to Q3 2025

This morning's data show another welcome rise in housing completions, up 4% in Q3 2025 to 9,235 and to 33,000 over the past 12-months. This is the highest annual total for housing completions since 2009. The out-turn shows that overly pessimistic commentary at the turn of the year, that homebuilding might contract in 2025, was well wide of the mark. Rather, housing completions are on track to meet our forecast for 34,500 in 2025. That said, clearly homebuilding are still well short on the 40-50,000 units required to meet pent-up demand. Looking forward, we are encouraged by the 4Dublin Housing Supply figures, showing the number of homes under construction in the capital in early 2025 was up 27% on the year - including a 2-3 year pipeline of apartments. Hence, concerns around viability and a decline in planning permissions for apartments shouldn't hurt completions until 2028/29.

Housing completions rise to 33,000 in year to September: This morning's CSO data show that there were 9,235 completions in Q3 2025, up 4% on the year. This brings the annual total to 33,000 completions over the past 12-months - the highest figure in 16-years (see chart below). The out-turn is broadly in line with our projections, homebuilding still on track to deliver our forecast for 34,500 completed units in 2025. That said, supply is still clearly well short of 40-50,000 units estimated to be required to start eating into pent-up demand. Through the first three quarters of 2025, the number of self-built one-off homes completed was up 7.8%, scheme houses by 6.1% and apartments by 30%.

Housing starts still down due to rush in 2024: BCMS commencements data indicate there were 10,193 housing starts through January-September 2025, down 80% from the 50,000 recorded in the same period of 2024. However, last years' figures were artificially inflated by developers rushing to fill in commencement notices, ahead of the expiration of waivers on local authority and infrastructure charges. So the housing starts data aren't currently a reliable guide to actual activity.

4Dublin Housing Supply Pipeline figures point to pick-up in building: The 4Dublin Housing Supply Pipeline figures for Q1 2025 showed 22,700 units were under construction in the capital at that time, up 27% on the year (stripping out local authority/LDA sites included in the data for the first time in Q1). Of these, there were 19,300 apartments under construction, effectively a 2-3 year supply pipeline. There were also 3,500 houses being built in the capital, up 19% on the year. So at least for Dublin there is evidence that some further pick-up in residential completions is likely in 2026.

Viability concerns on apartment building more apparent in weak planning permissions: Build cost inflation, coupled with higher interest rates have elevated concerns around the viability of apartment development hurting demand from institutional investors, but compensated for by purchases from local authorities and approved housing bodies. Nonetheless, the latest data show there were planning permissions for just 12,200 apartments in the year to June, the lowest annual figure since 2019. This poses the risk the pipeline of development may slow and apartment completions could fall back in several years' time, from 2028/29.

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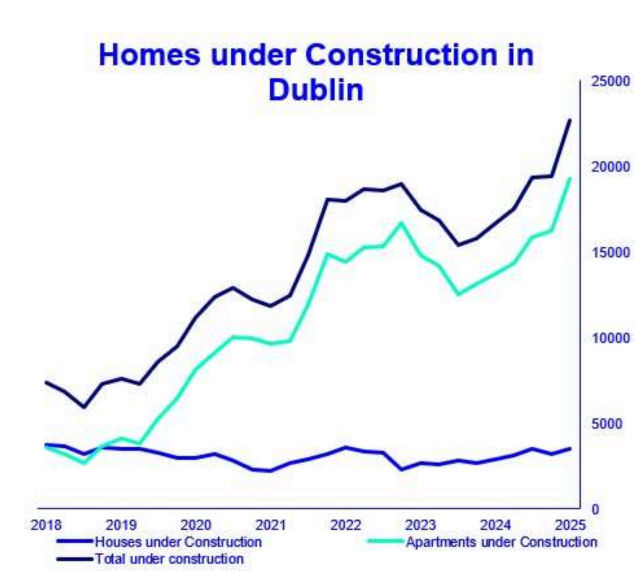

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