



Irish mortgage market grows to €14.5bn in 2025

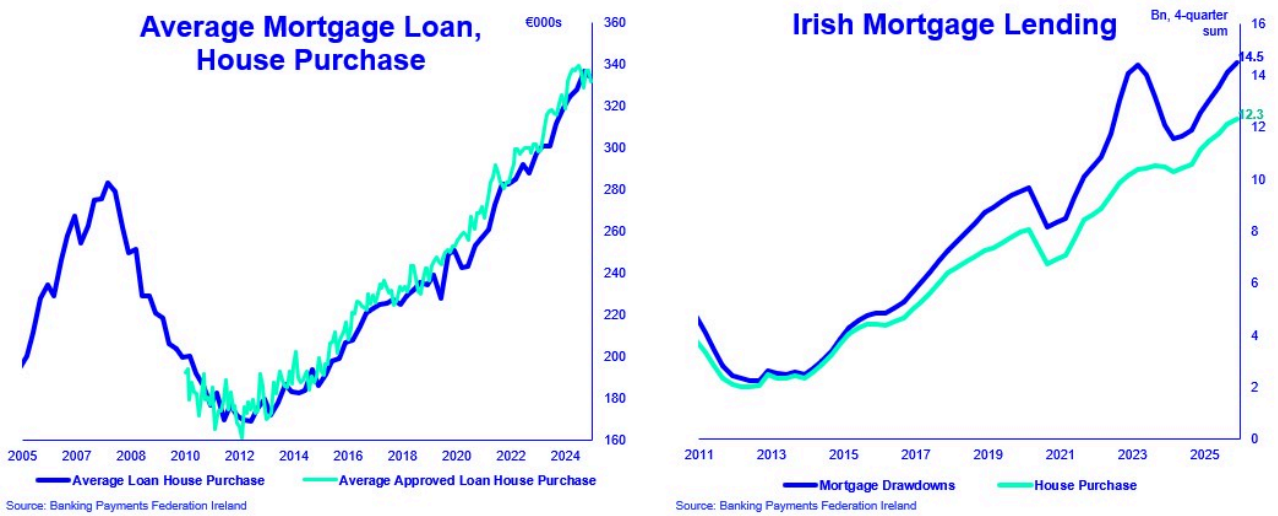
This morning's Banking & Payments Federation Ireland (BPFI) data show Ireland's mortgage market grew to €14.5bn in 2025, up 15% on the year, split between €12.3bn of loans for house purchase and €2.2bn of top-up/re-mortgaging activity. The expansion was driven by house price inflation, the average mortgage loan up 7% to €332,000 in 2025. Also, lending volumes on newly built homes rose by 14% to 13,400 last year. However, lending volumes on existing homes fell by 2% in 2025, down for a 3rd consecutive year. The market is now dominated by first-time-buyers, up 5.4% to 27,650, now accounting for almost three-in-four mortgage loans. In contrast, lending volumes to mover-purchasers fell again, by 2.7%, to 8,782, their lowest level (excluding the Covid19 period) since 2014. The overall picture is of a buoyant housing and mortgage market, with homebuilding expanding and prices still rising, but existing home owners reluctant to move for fear of failing to secure a property once they sell their own.

Irish mortgage market grows 15% to €14.5bn in 2025: This morning's Banking & Payments Federation Ireland (BPFI) data show there were €4.3bn of mortgages loans in Q4 2025, up 9.5% on the year. This was comprised of €3.7bn (+4.9% yoy) of loans for house purchase and €642m of top-up/re-mortgaging. The average mortgage drawdown was €334,100 in Q4 2025, up 4.7%. The Q4 out-turn means total mortgage lending in calendar year 2025 was €14.5bn, up 15% from €12.6bn in 2024. House purchase lending was €12.3bn in 2025, up 11% on 2024, driven by a 3.4% rise in lending volumes to 37,165 loans and a 7.2% rise in the average mortgage loan to €332,000 on average in the calendar year.

Homebuilding and first-time-buyers buoyant, existing homes market liquidity declines: There were 13,400 mortgage loans drawn down on newly built homes in 2025, up 14% on 2024. However, for existing homes lending volumes fell by 2% to 23,100, down for a 3rd consecutive year. This reflects the on-going reduction in liquidity for existing homes - reflecting the tight market, lack of 'chained' transactions, lengthy conveyancing and difficult bidding processes that have put off many would-be sellers from moving home. Hence, mortgage lending volumes for first-time-buyers rose 5.4% to 27,650 in 2025, but for mover-purchasers fell again, by 2.7% to just 8,782 loans last year.

Further signs of a slowdown in house price inflation: The BPFI has also released Mortgage Approvals data for December this morning. The average mortgage approval for house purchase was €331,700 in December, up 2.4% on the year. For first-time-buyers the average approval was €321,780, up 2.4%, mover-purchasers €374,448, up 3.6% and for buy-to-let €184,526, down 4.7%. This adds to the evidence that Irish house price inflation is slowing, towards 'mid-single-digit' territory in 2026. MyHome asking prices were flat on the quarter in Q4 2025, up 5.4% on the year.

Group Chief Economist: Conall Mac Coille
conall.maccoille@boi.com



Contact Us at economics@boi.com

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