



Taking the temperature of the Irish housing market in Q2

Ahead of the Q2 Bank of Ireland/MyHOME report—which we will publish in July and which will set out how asking prices moved ahead of the key summer trading season—we thought now was a good time to take stock of recent developments in the Irish housing market.

RPPI transaction price data have had a soft start to 2026, down 0.3% in February and flat in March. However, the start of the calendar year often sees muted price movements. Looking ahead, the 1% rise in MyHome asking prices in Q1 (+4.7% YoY), along with the increase in the average mortgage approval to €341,000 (+1.7% YoY), point to price gains in the coming months. Crucially, transactions in April/May continued to settle 6.7% above asking (at the median), pointing to sustained fierce competition among homebuyers into 2026. For now, we are sticking with our forecast for 4% RPPI inflation this year.

Transactional activity has expanded to a fresh post-Celtic Tiger-era high of 64,300 transactions in the 12 months to March. A key drawback is that rising transactions entirely reflect homebuilding, with liquidity for existing homes still contracting. Existing homeowners are increasingly reluctant to move. However, the 50% rise in terminating rental tenancies to 7,000 in Q1 2026 means exiting landlords from the private rented sector (PRS) could temporarily boost housing market liquidity by circa 5% in 2026. Finally, the news on homebuilding has been unequivocally positive, with potentially 40,000 completions now possible in 2026.

Early soft transaction price data are to be expected; we still anticipate 4% inflation in 2026.

The Residential Property Price Index (RPPI) rose by 0.4% in January, declined by 0.3% in February (the first monthly fall in three years), and was flat in March, albeit with annual inflation still running at 6.5%. This might appear concerning, with stretched affordability potentially holding back price gains. However, the RPPI often makes a soft start to the calendar year ahead of the busy summer trading season. As such, the early data for 2026 are not inconsistent with our forecast for a 4% rise in the RPPI over the year.

Notably, the slowdown is concentrated in Dublin, where affordability is particularly stretched. The Dublin RPPI fell for two successive months, by 0.5% in February and 0.3% in March, with annual inflation slowing to 5.6%. MyHome asking prices also point to subdued price gains in the capital. Dublin asking prices rose by just 0.2% in Q1 2026 (up 2.9% YoY), compared with a sharper 6.1% rise in the rest of Ireland.

Leading indicators remain positive. MyHome asking prices recorded a 1% rise in Q1 2026 to €385,000 at the median, up 4.7% YoY. Residential transactions continued to settle 6.7% above the original asking price through April/May (see chart below), indicative of fierce competition. Crucially, this cross-check also suggests that rising asking prices in Q1 2026 will serve as a good guide for the RPPI transaction price measure later in the year.

Second, rising incomes should put further upward pressure on Irish house prices. The average mortgage approval was €341,000 in March, up 1.7% YoY. Average weekly earnings rose by 3% in the year to Q4 2025. Homebuyers therefore look set to drive prices higher, utilising higher earnings.

Market activity picks up to a fresh high, despite homeowners being unwilling to move.

CSO data show there were 64,300 residential transactions in the 12 months to March, a fresh high since the Celtic Tiger era. Transactions in Q1 2026 were up 6.6% YoY, but were starkly split between a 30% rise in new-build properties and a further 2% contraction in existing homes (see chart below).

Our analysis of the Property Price Register (PPR) points to transaction volumes in April/May being up 3% YoY. Given the 6,000 new listings for sale on MyHome in the six weeks to May 20 were only marginally higher (up 1% YoY), further growth in transactional activity will likely continue to reflect homebuilding.

The underlying story is that homebuilding is expanding—helping the Irish housing market grow to €29bn of transactions in 2025—even as existing homeowners appear increasingly reluctant to move. This reluctance reflects concerns about securing a new property after selling, amid stiff competition from first-time buyers and broader challenging market conditions. Remarkably, existing home sales remain close to 2015/16 levels, despite substantial housing equity gains over the past decade and the effective elimination of negative equity.

Exit of small buy-to-let investors may temporarily boost housing market liquidity by 5%.

Residential Tenancies Board (RTB) data indicate that small investors are now leaving the private rented sector (PRS) ahead of new regulations. The RTB reported 7,062 notices of termination of tenancies in Q1 2026, up 50% YoY. Over the past three quarters, there were 17,674 terminations, an increase of 5,200 compared with the previous corresponding period.

Furthermore, 60% of landlords indicated they intended to sell the property, most likely in 2026. This suggests that exits from the PRS could temporarily boost home sale volumes by around 5% in 2026 (or by 7–8% excluding new builds). Landlords may also be attempting to increase rents ahead of the introduction of new regulations. Daft reported that rents on new tenancies jumped by 4.4% between January and March—the sharpest quarterly rise on record—with annual inflation accelerating to 7.8%.

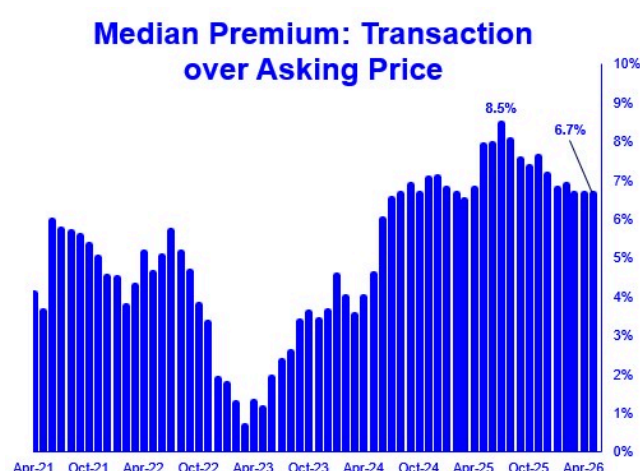
Housing completions could hit 40,000 in 2026.

The 38,191 completions in the year to Q1 2026 were clearly ahead of most projections. Furthermore, the 7,856 completions in Q1 2026 were driven not only by lumpy and volatile apartment construction (+33% to 2,355), but also by scheme houses (+35% to 4,082), as well as self-build houses (+28% to 1,419). Housing commencements data have also been encouraging, with 11,000 units started between January and April, despite activity still likely being artificially depressed following the surge in commencements to 69,000 in 2024 ahead of the expiry of waivers on local authority and water infrastructure charges.

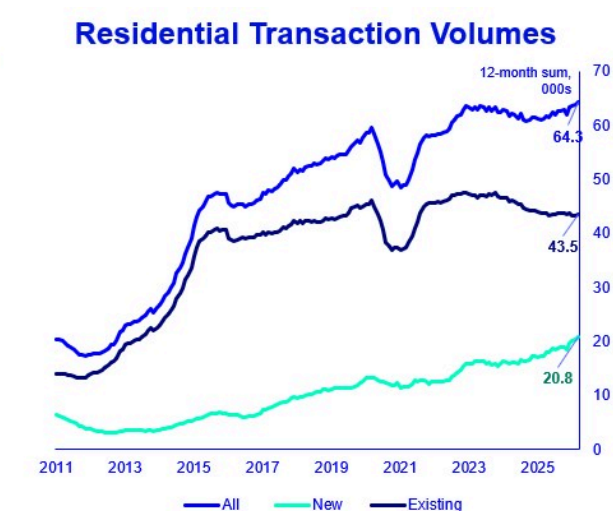
Clearly, these outturns are far stronger than many industry voices had predicted. The homebuilding component of Ireland’s Construction PMI survey was below the 50 no-change level for much of 2025. Far from contracting, homebuilding has clearly expanded substantially, raising questions about the representativeness of the Construction PMI survey.

That said, we believe there has been an element of “catch-up” in apartment completions. The 12,000 apartment completions in 2025 were up 40% YoY but followed a sharp 25% decline to 8,686 in 2024. Notably, figures from the Department of Housing showed a 12.5% decline in the number of apartments currently under construction in the capital, to 19,659 in Q4 2026.

We are also mindful that the first quarter of the year is typically the low point for completions, and Q1 2025 was particularly weak, which has flattered year-on-year growth in Q1 2026. Nonetheless, the clear risk to our forecast of 37,500 completions in 2026 now lies to the upside, with an outturn of 40,000 looking plausible. Ireland’s homebuilding sector clearly has more capacity than the industry itself had anticipated.



Source: MyHome, Property Services Regulatory Authority



Source: Central Statistics Office

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