Economic Research Unit

Economics Weekly

Bank of Ireland

MyHome report show fresh momentum in house prices

This morning we have published the Bank of Ireland / MyHome report. Asking price inflation accelerated in Q2 2026, with the national median asking price rising 4.3% during the quarter to €395,000 and annual growth reaching 5.0%. This is somewhat surprising given anecdotal reports of slower house price growth, particularly in the capital. Dublin asking prices increased by 3.8% to €495,000, while prices outside the capital rose 4.7% to €350,000. Despite affordability pressures, competition remains intense, with median transactions in May and June settling almost 8% above the original asking price.

However, mortgage market data suggest house price inflation should still moderate as 2026 progresses. The average mortgage approval in May increased by just 3.4% year-on-year, indicating slower growth in borrowing capacity among homebuyers. So our forecast for 4% house price inflation in 2026 remains unchanged. Market activity continues to depend heavily on newly built homes, with existing home sales contracting again in early 2026. Encouragingly, new listings on MyHome rose 2.3% in H1. Also, landlords exiting the private rented sector could modestly improve housing availability and transaction volumes later in 2026 and into 2027.

MyHome asking price inflation accelerates to 5% in Q2 2026

The second quarter of the calendar year is typically the most important period for the housing market, as prices are set ahead of the busy summer trading season. Asking prices rose by 4.3% in Q2 2026, to €395,000 at the median, with annual inflation accelerating to 5.0% (see chart below). This fresh momentum is a little surprising, especially given that stretched affordability was reported to be taking a toll, particularly in the capital. Asking prices rose by 3.8% in Dublin to €495,000, up 4.5% on the year. Outside Dublin, the median price was €350,000, up 4.7% in Q2 and 5.4% on the year.

Competition for homes has heated up, with transactions being settled 8% over the asking price

It is possible that vendors and estate agents are being unrealistic in their expectations. However, our analysis of transactions recorded on the Property Price Register (PPR) shows that the median sale through May and June was settled close to 8% above the original asking price (see chart below), suggesting competition for homes has intensified. In Dublin, the premium was almost 9.5%. That said, we are conscious that these properties were listed for sale and the asking price set at the turn of the year. It remains to be seen whether the very latest sharp rise in asking prices in Q2 2026 will stretch affordability so that the premium paid over the asking price starts to decline.

Mortgage market still points to more subdued price inflation

The latest Banking & Payments Federation Ireland (BPFI) data suggest that house price inflation should moderate. The average mortgage loan for house purchase was €340,000 in Q1 2026, up 4.7% year-on-year. This itself represents a slowdown from the 7% growth recorded in 2025. However, the average mortgage approval in May was €348,700, up just 3.4% on the year. This softer pace suggests that the amount of mortgage debt prospective homebuyers are taking on continues to slow. This is one key reason we are sticking with our forecast for 4% house price inflation in 2026, despite the surprising momentum in asking prices in Q2.

Housing market increasingly reliant on newly built homes

The latest CSO data show that the total number of transactions in the first four months of 2026 was 18,200, up 2.9% on 2025. However, this growth relied entirely on a 17% rise in transactions involving newly built homes. There was another 2.7% contraction in existing home sales. Existing homeowners continue to be put off moving home by difficult bidding processes and elevated build and renovation costs. This means that less than 2% of the existing housing stock is being sold each year, or the average property is sold once every fifty years, the weakest rate of liquidity since 2014.

MyHome new listings suggest existing home sales are stabilising

The MyHome data suggest liquidity in the existing homes market is at least stabilising. The number of new listings for sale on MyHome in H1 2026 was 21,921, up 2.3% on the year. However, the market clearly remains very difficult. The median property sold through May and June had gone sale agreed on just five weeks after being listed for sale on MyHome.

Also, notices for termination of rental tenancies were up 50% in Q1 2026 to 7,062. Given that the pick-up in terminations has been evident since mid-2025, and that 60% of landlords intended to sell, this could in time add 5% to market liquidity. Residential Tenancies Board (RTB) data indicated that most of these exiting landlords intended to sell from mid-2026 onwards. Clearly, any temporary improvement in housing availability for homebuyers would come at the expense of those seeking to rent, but it could raise transaction activity later in 2026 and into 2027.

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