



MyHome report shows asking price slowing to 3.9%

The Bank of Ireland-MyHome report was published earlier this week, showing asking price inflation had slowed to 3.9% in Q3 2026 (from 5% in Q2), to 2.8% in Dublin and to 4.8% in the rest of Ireland. Also, the market is getting a little easier for homebuyers. There were 14,600 properties listed for sale on MyHome in September, up 12.5% on the year. The trend of existing homeowners being reluctant to sell their own homes for fear of failing to secure another seems to be levelling off. Also, we are sticking with our forecast for housing completions of 39,600 in 2026, rising to 42,000 in 2027.

This quarter, we have taken a closer look at affordability. The median residential property price of €412,000 in July is now 7.5 times average earnings of €55,000. This is the most stretched level, for this measure of affordability, since 2009. However, the typical first-time buyer in 2025 had a joint income of €95,000 and purchased a home worth four times their earnings. Also, with rental yields still around 5% nationally, compared with mortgage interest rates close to 3.5%, it still makes more sense to buy a home than to rent.

Finally, energy efficiency is a growing concern for many homebuyers. A recent study by the Sustainable Energy Authority of Ireland (SEAI) shows that, for each step up the BER scale, house prices tend to rise by 2.7%. For example, upgrading from a C-rating to an A-rating tends to raise house prices by 10–13%. However, the positive impact is smaller in more expensive urban areas – for example, by just 1.8% in Dublin for each step up the BER scale.

House price inflation continues to slow: MyHome asking prices fell by 1.4% in Q3 2026, as they often do at the end of the busy summer trading season. The annual inflation rate eased to 3.9% – its slowest pace in three years. Asking price inflation was 2.8% in Dublin, compared with 4.8% in the rest of Ireland.

It generally takes five to six months from a property being listed for sale on MyHome to the final transaction being recorded on the Property Price Register (PPR). The Q3 MyHome data therefore suggest that the CSO's official measure of residential transaction prices (RPPI) will slow from 5.1% in August, towards our forecast of 4% inflation by the turn of the year (see chart below).

Housing availability is improving: In September, 14,600 properties were listed for sale on MyHome, up 12.5% year on year, as the supply of new listings finally began to improve. Although existing home sales look set to contract for a fourth consecutive year in 2026, market liquidity should improve slightly in 2027. The underlying issue is that existing homeowners have been reluctant to sell for fear of being unable to secure another home.

Homebuilding is also picking up. We are maintaining our forecast of 39,600 completions in 2026, rising to 42,000 in 2027. This outlook is considerably stronger than many commentators suggested just 12–18 months ago. Homebuilding in Ireland has now reached a key milestone: the 38,000 homes completed in the year to June are sufficient to accommodate more than 100,000 people, exceeding population growth of 67,000 for the first time.

Affordability remains a significant challenge for many prospective homebuyers. The median residential property price of €412,000 in July is now 7.7 times the average salary of €55,000. This is the highest house price-to-income ratio since 2009. However, first-time buyers had a typical joint income of €95,000 in 2025 and purchased properties worth €408,000 on average – equivalent to around four times their income.

Even so, buying still makes more financial sense than renting, as rental yields of 5% remain well above mortgage interest rates of around 3.5%. Average monthly rents were €1,839 in Q1 2026, while the average residential property price was €455,000 in July. The monthly repayment on a 90% LTV mortgage for a property at this price would be €1,825, based on a 30-year term and a 3.4% interest rate. Of this payment, around two-thirds would cover interest and one-third would repay principal.

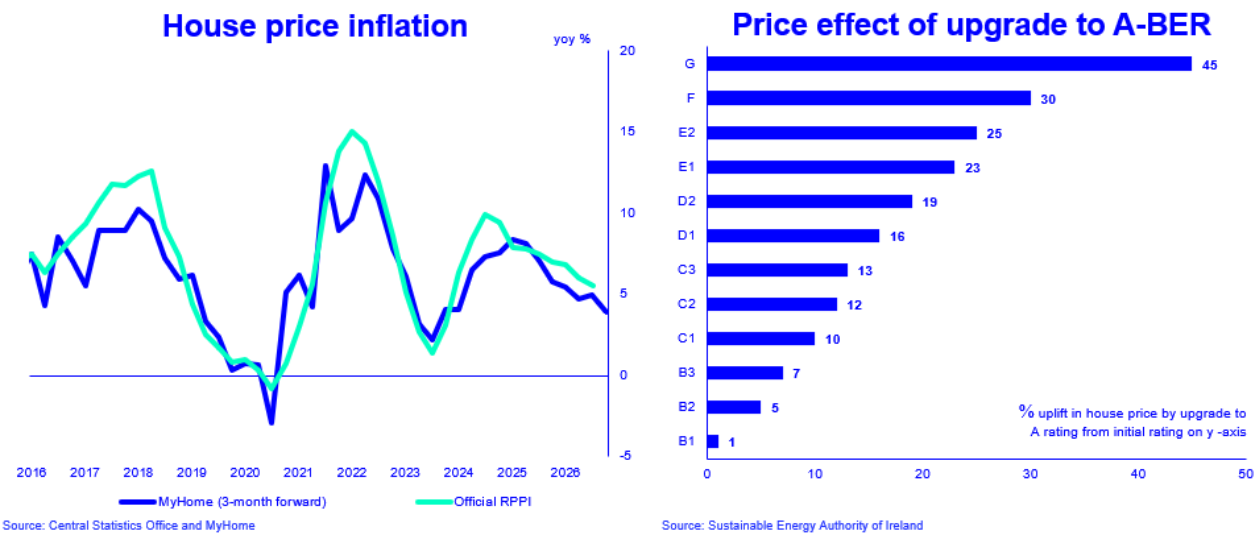
Energy efficiency is an increasingly important consideration for homebuyers. MyHome partnered with the Sustainable Energy Authority of Ireland (SEAI) on a study, published this summer, examining how Building Energy Ratings (BERs) affect house prices. The study found that a typical house price rises by 2.7% for each step up the BER scale, such as from B2 to B1.

After accounting for key factors such as property type and location, the estimated price uplift from moving from a C rating to an A rating was 10–13% (see chart below). The uplift was smaller in more expensive urban areas: in Dublin, for example, each step up the BER scale was associated with a 1.8% increase.

The SEAI findings indicate a greater impact on house prices than previous studies. This may reflect growing awareness among homebuyers of the benefits of energy efficiency, including lower energy use and reduced exposure to volatile electricity and gas prices.

The availability of ‘green mortgages’, which offer lower interest rates on homes with higher BER ratings, can also substantially reduce repayments over the life of a loan. However, vendors may not fully recognise the potential price gain from investing in energy efficiency. BER ratings had a greater impact on the final sale price (2.7%) than on the original listing price (2.3%).

Conall Mac Coille
Group Chief Economist
Bank of Ireland
conall.maccoille@boi.com



Contact Us at economics@boi.com

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