Economic Research Unit

Economics Weekly

Bank of Ireland

House price inflation set to slow towards 4% by end-2026

We are now close to the midway point between our last MyHome report published in early October, and our next report due in early 2027. Taking stock of the very latest Irish housing market data corroborates the message we had given a month ago. That house price inflation would slow, from 5.1% in August, towards our forecast for 4% by December. First, transactions were being settled 6% above asking in October, vs 8% during the summer, tentative evidence of softer pricing conditions. Second, the average mortgage approval was €339,000 in October, up only 3.2% on the year.

The very latest data on residential transactional activity paint an encouraging picture. After several years of decline, due to homeowners being wary of moving for fear of failing to secure a property, existing homes sales rebounded by 11% in July/August. This trend looks set to continue into 2027. New listings for sale on MyHome were up 5% yoy in Q3 to 11,900 and so far in October/November by 16% to 4,860. That said, liquidity in the existing homes market still remains weak by historical standards and well below UK levels, despite the recent welcome rebound.

Housing transactions being settled 6.3% above asking in October: MyHome data show that residential transactions in October were being settled 6.3% above asking at the median, down from a premium of 8% during the summer (see chart below). There may be seasonal factors at play. The median premium fell back in a similar fashion in late 2025. However, transactions completed in October typically went sale agreed 4-5 months ago - so the smaller 6.3% premium, although still substantial, must to some extent reflect softer pricing conditions.

BPFI data show average mortgage debt now rising more slowly: Banking Payments Federation Ireland (BPFI) data show that the average mortgage drawdown in Q3 2026 was €343,100, up just 1.9% on the year (see chart below). This is a marked slowdown. In Q3 2025, the average drawdown was €336,000 up 8% on the year. Mortgage approvals data also point to a more sedate pace of house price inflation going forward. The average mortgage approval for house purchase in September was €339,200, up just 3.2% on the year. The official CSO data on residential property price inflation (RPPI) in September, is due to be published next week on Wednesday, November 18th.

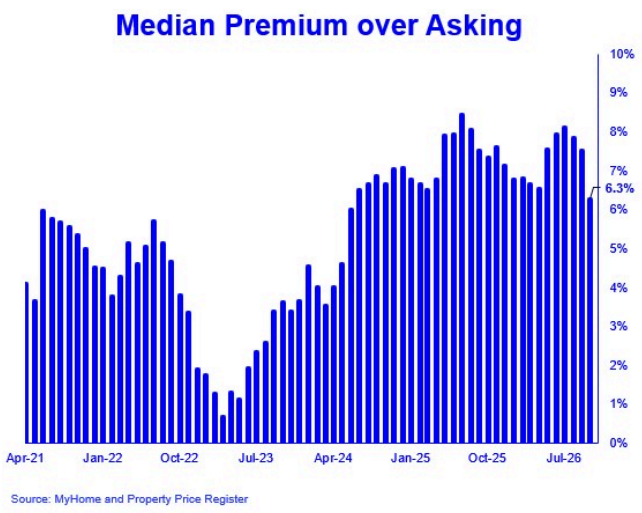
Liquidity in the existing homes market finally starting to improve: A striking feature of Ireland's housing market has been four consecutive years of declining existing home sales - falling from 47,600 in 2022 to 43,700 in 2025. Clearly, many homeowners have been put-off moving, for fear of failing to secure a property, once they sell their own. Existing home sales fell by another 3.8% in H1 2026.

However, recent Central Statistics Office (CSO) data are more encouraging. Existing homes sales in July and August were up 11% on the year. A similar trend is also evident in the 7,100 mortgage loans on existing homes drawn down in Q3 2026, up 8.3% on the year.

New listings for sale on MyHome point to further rebound: The underlying story is that liquidity in the existing homes market is finally beginning to improve, albeit off a low base. Thus far in 2026, the 36,942 new listings for sale on MyHome are up 4.8% on the same period of 2025 and the trend has improved as the year has progressed.

In Q3 there were 11,900 listings up 5.4% year-on-year and so far 4,860 in October/November, up 16% year-on-year. The total number of properties listed for sale on MyHome is currently 13,700, well up from 12,200 at end-2025.

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