

IRISH RESIDENTIAL MARKET REVIEW

SUMMER 2021



OVERVIEW

Since the end of March there has been a notable easing on many of the public health measures put in place to protect against COVID-19. This has had a significant impact on the economy and in turn the residential property market, resulting in a considerable increase in the demand for housing.

FURTHER ACCELERATION IN PRICE INFLATION

This enhanced demand combined with persisting supply constraints has led to a further acceleration in the rate of house price growth. The average value of second-hand homes in Ireland increased by 3% in quarter two, approximately double the rate of quarter one. In Dublin, prices rose 2.1% in the three-month period, while growth was even stronger in the rest of Ireland.

CONTINUED MOMENTUM IN SALES ACTIVITY

The strong momentum in sales activity noted at the end of 2020 continued into 2021. Almost 12,000 sales were recorded in

quarter one, up 7% on the corresponding quarter in 2020. So far this year, second-hand sales have been particularly strong, enlarging 10%, while activity in the upper end of the market has also increased noticeably in comparison to recent years.

REBOUING OF THE CONSTRUCTION SECTOR

The last quarter saw the full reopening of construction and with this activity has greatly intensified. In April and May, new residential commencements were at levels not witnessed since 2007. Furthermore, the total number of new homes built in quarter one was much higher than previously anticipated given that restrictions were in place. As such, there has been a significant upwards revision in the total number of new homes expected to be built this year.

For the full version of the report please contact
researchpublications@sherryfitz.ie

**Sherry
FitzGerald**

For more details or to receive the full version of the report, please email: researchpublications@sherryfitz.ie



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**Sherry
FitzGerald**

Marian Finnegan

**Managing Director,
Residential & Advisory**

+353 (0) 1 237 6341

marian.finnegan@sherryfitz.ie

Siobhan Corcoran

**Senior Economist,
Associate Director**

+353 (0) 1 237 6317

siobhan.corcoran@sherryfitz.ie

Eoin Lynch

**Economist,
Researcher**

+353 (0) 1 237 6474

eoin.lynch@sherryfitz.ie

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