Banking & Payments Federation Ireland

Mortgage Market Profile Report

H1 2021

Mortgage Market Profile Report

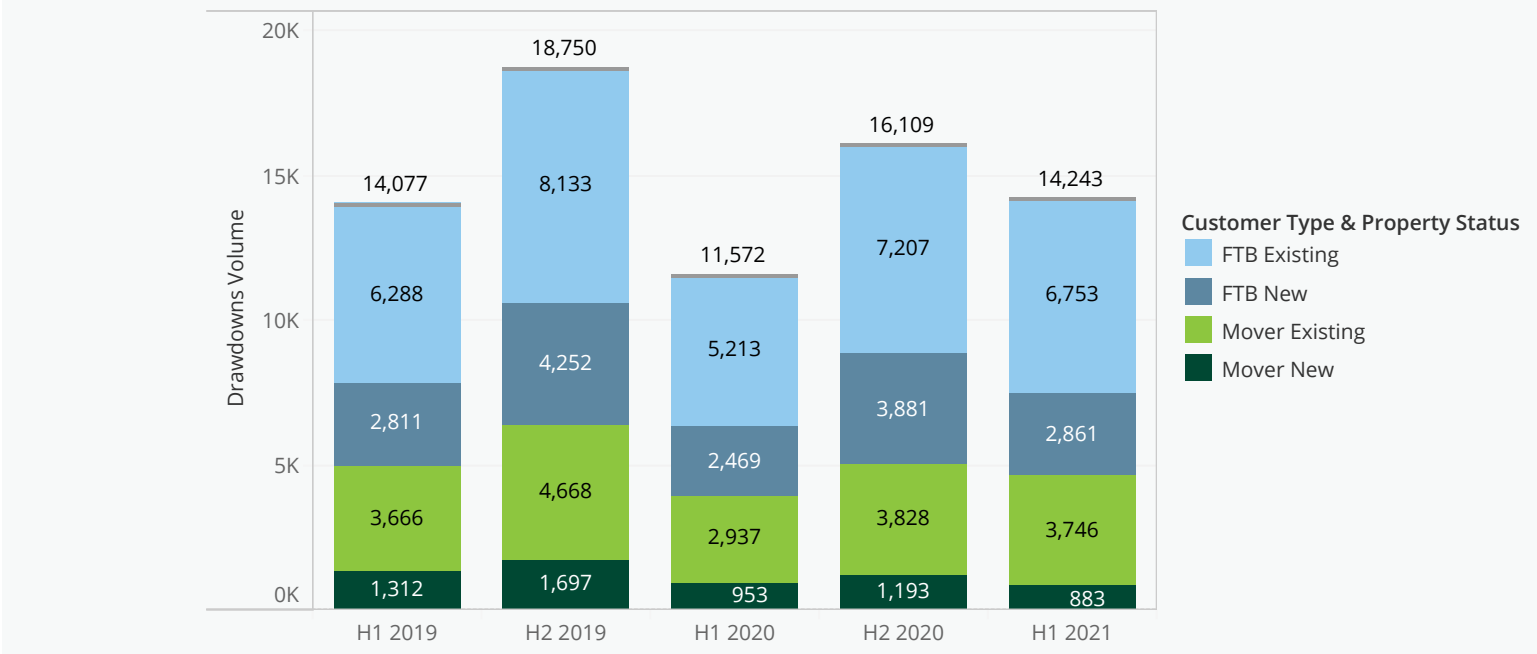
Banking & Payments Federation Ireland

Commentary

The first half of 2021 saw the mortgage market continue its recovery from the turmoil caused by Covid-19. Mortgage drawdowns for home owners (first-time buyers and mover purchasers) rose by 23% year on year in H1 2021 to more than 14,000, similar to the level of drawdowns in H1 2019.

First-time buyers (FTB) accounted for 67.5% of home mortgage drawdowns in H1 2021, while FTBs buying existing properties accounted for 47.4% of the total. However, the data shows the impact of Covid restrictions on home building, with mover purchase (mover) mortgages on new properties (including self-builds) down by almost one third between H1 2019 and H1 2021.

Drawdown Volumes - Home Mortgages



In this report, we look at the regional breakdown of the mortgage market. Dublin leads the way with 31.3% of home purchase mortgages in the twelve months ending June 2021, while Meath, Kildare and Wicklow each had at least 4% of the national market.

Outside Dublin and the commuter belt, Cork is the largest single market with 11.7% of mortgages, followed by Galway and Limerick with 4.8% and 3.8% each.

The share of mover purchase mortgages varies significantly by region. Wicklow was the only county in which more than two in five mortgages were drawn by mover purchasers at 43.6%. It was also the only county in which more than one in ten mortgages was drawn down by mover purchasers for new properties.

Movers accounted for more than 30% of drawdowns in only three other counties: Dublin (36.3%), Cork (30.9%) and Kildare (30.4%).

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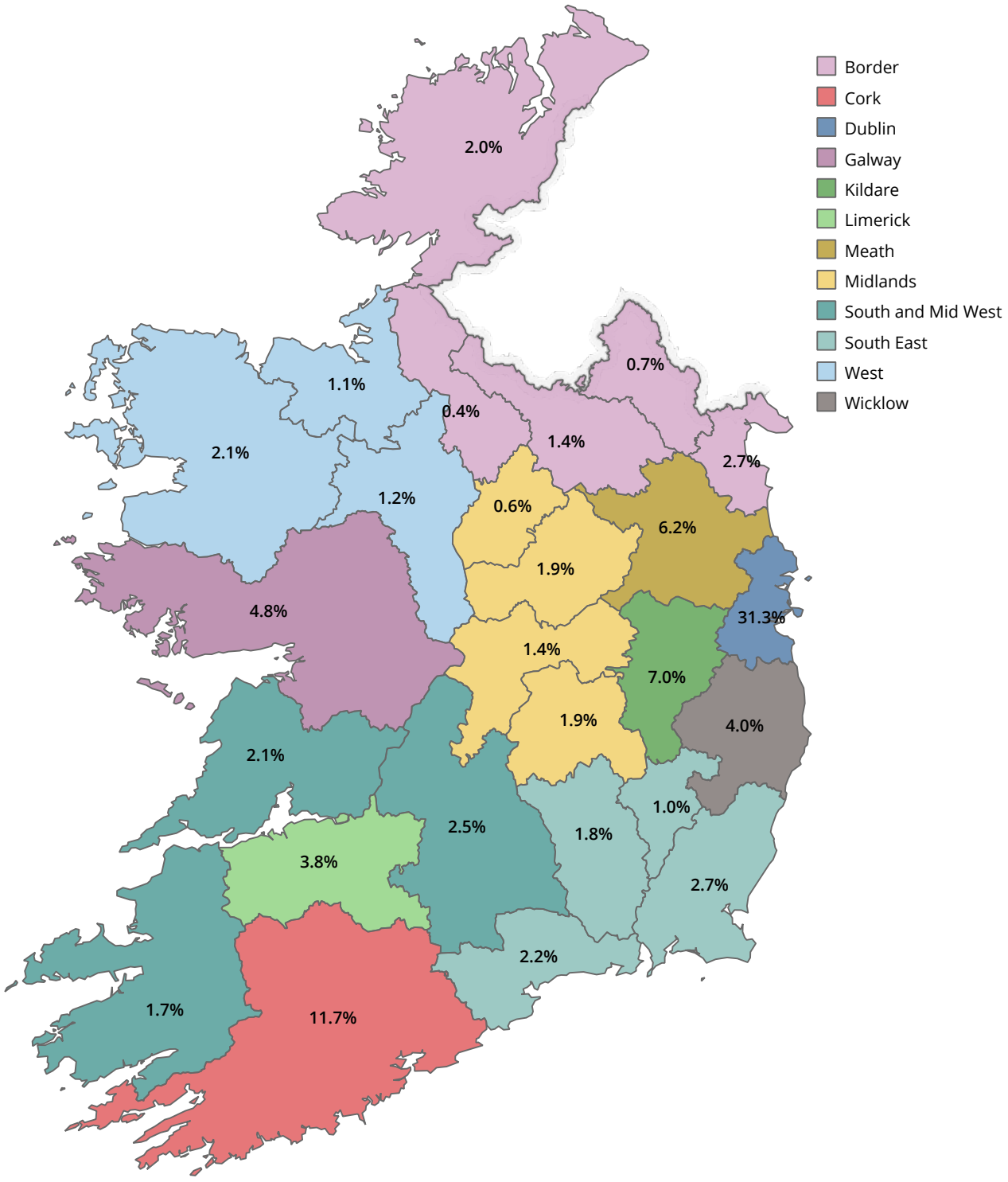
National Overview

Share of Lending Volume by County
(12 months ending June 2021)



© 2021 Mapbox © OpenStreetMap

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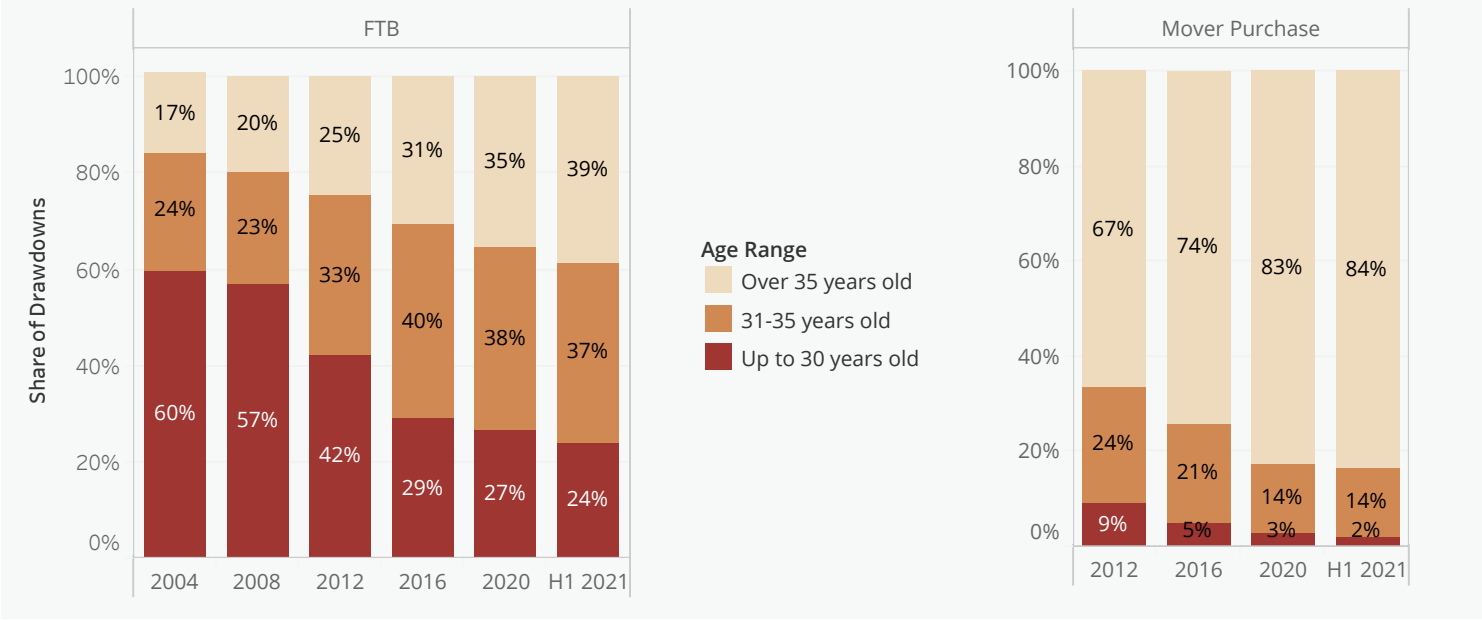
Commentary

Home buyers are getting older

FTBs tend to be younger than mover purchasers with the median main borrower age of FTBs at 34 years old in H1 2021, compared with 42 for mover purchasers.

Loan terms tend to be shorter for older borrowers and the median mover purchase loan term was 25 years in H1 2021, compared with 30 years for FTB loans.

Age Range by Customer Type



Source: BPFI (data from 2012), Department of Housing, Local Government & Heritage (data up to 2008)

While the median borrower age has been relatively stable in recent years, the profile of borrowers continues to age. Some 60% of FTBs were no more than 30 years old in 2004, according to the Department of Housing, Local Government & Heritage. Eight years later, that proportion had dropped to 42%, and falling further to 27% by 2020.

Similarly, about one third of mover purchasers were no more than 35 years of age in 2012. By 2020, that proportion had more than halved to 17%.

A number of factors may be driving the ageing of home buyers but the major life events that have prompted household formation, especially marriage and having children, are occurring later in life: the average age of mothers rose from 31.3 years in 2009 to 33.1 in 2019 according to the Central Statistics Office, while 19% of marriage partners were less than 30 years of age in 2020, compared with 35% in 2010 and 53% in 2000.

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Commentary

Repayments vary by customer, property and region

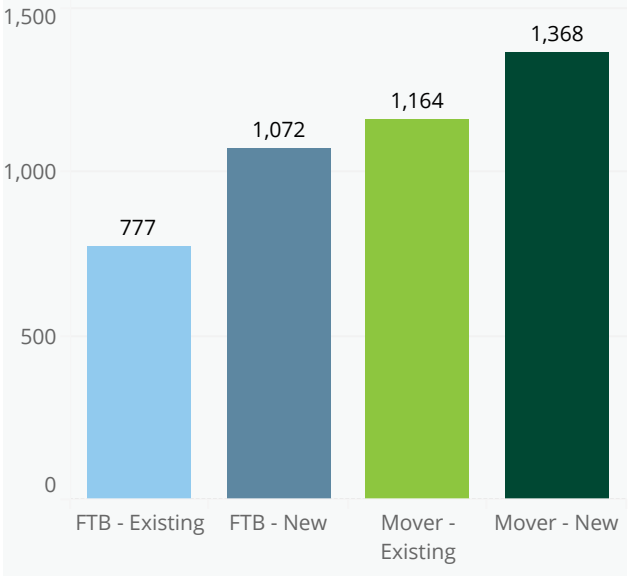
At €841, the median initial monthly repayment* for FTB drawdowns was more than €300 less than the median mover purchase repayment (€1,183) in H1 2021.

However, the median FTB repayment for the purchase of existing properties of €777 was almost €300 less than the median FTB repayment for the purchase of new property, which was €1,072 in H1 2021. Similarly, the median repayment on mover purchases for new property was substantially higher at €1,368.

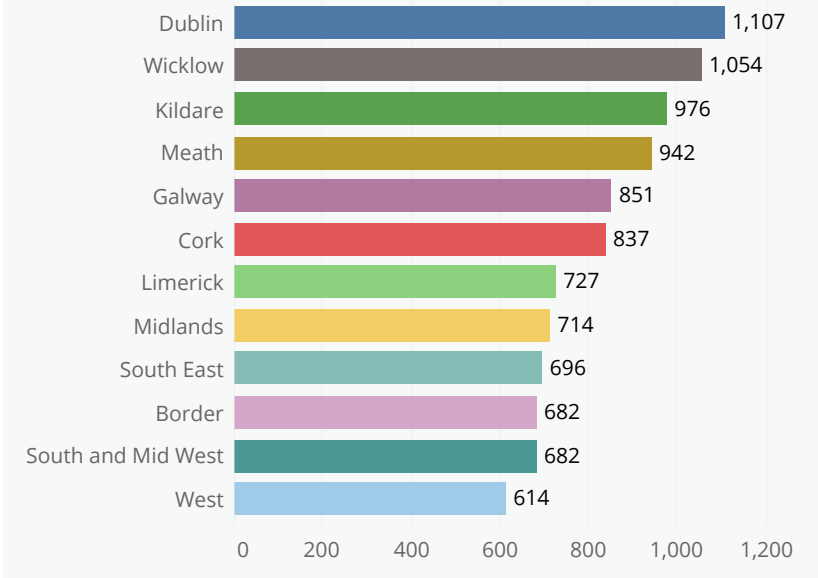
Four counties in the east of the country had median FTB repayments of more than €900 in H1 2021. Dublin led the way with a median repayment of €1,107, followed by Wicklow, Kildare and Meath.

The counties with the two biggest cities outside Dublin (Cork and Galway) had median repayments between €800 and €900. All other regions had median repayments of less than €730.

Median Repayments by Customer Type & Property Status (H1 2021)



Median FTB Repayment by Region (H1 2021)



Self-builds play a key role in the housing and mortgage market, accounting for 37% of FTB mortgages for new properties and almost 47% of mover purchase mortgages for new properties.

In most regions (the exceptions are Dublin, Cork, Kildare, Meath and Wicklow), mortgages for self-builds outnumbered mortgages for the purchase of new builds.

*Repayments are calculated after self-builds are excluded as most self-build mortgages are drawn down in stages. This means that the initial monthly repayment at drawdown for a self-build mortgage is usually much lower than for a typical mortgage financing a property purchase.

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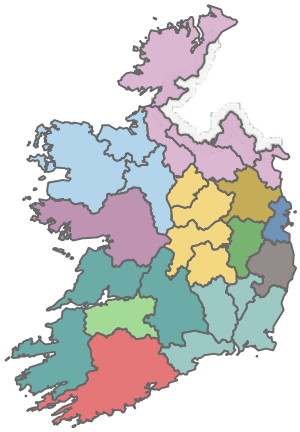
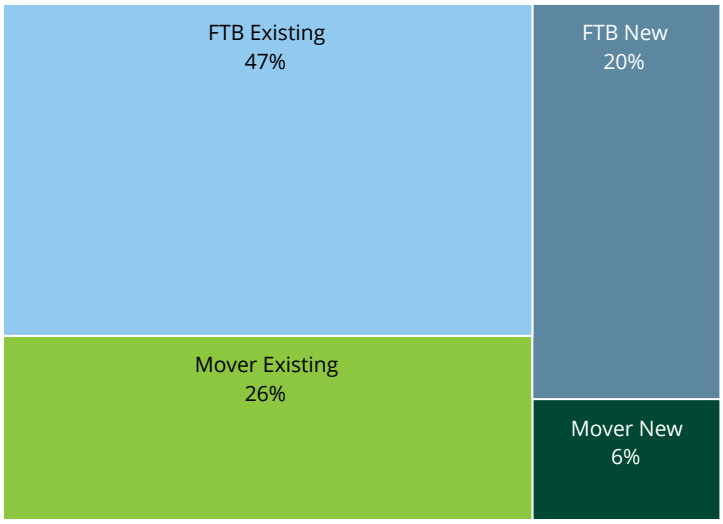
National



Customer Type-Property Status Share

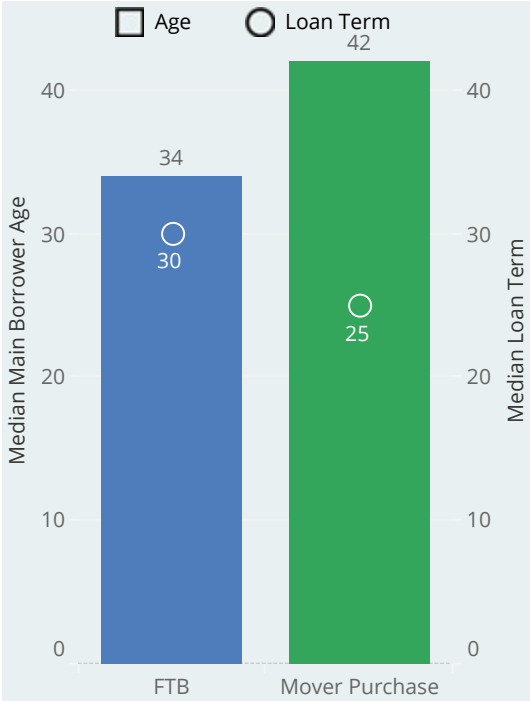


Note: All charts on this page refer to H1 2021.

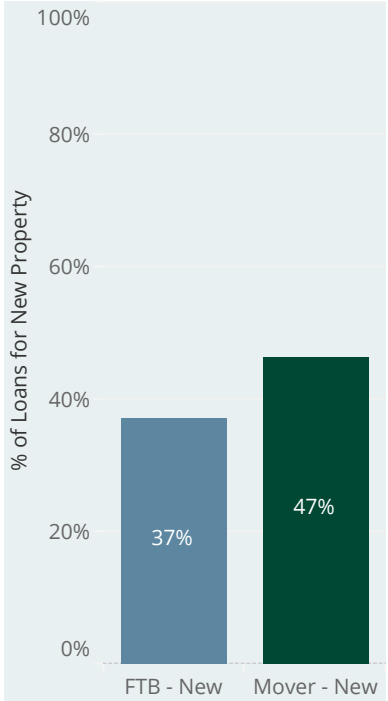
The median basic household income of FTBs buying existing properties was about two thirds of the median household income of mover purchasers. The median household income of FTBs buying or building new properties was 22% higher than those buying existing properties.

More than half (51%) of mover purchase mortgages were for the building or purchase of detached houses or bungalows.

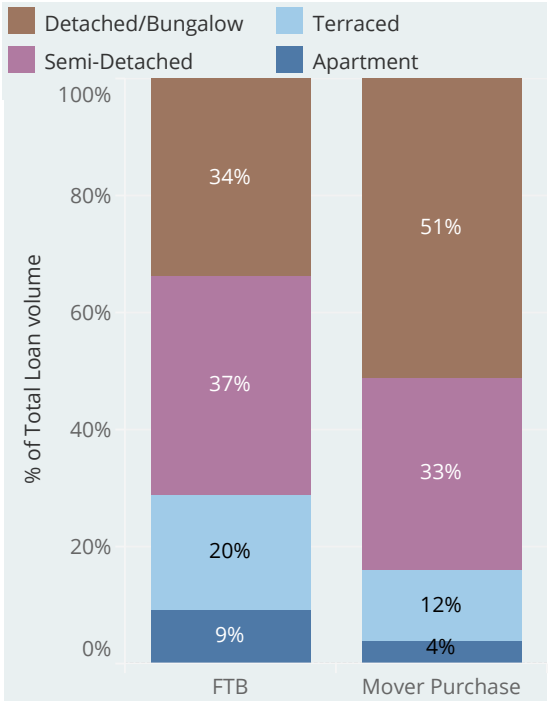
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types



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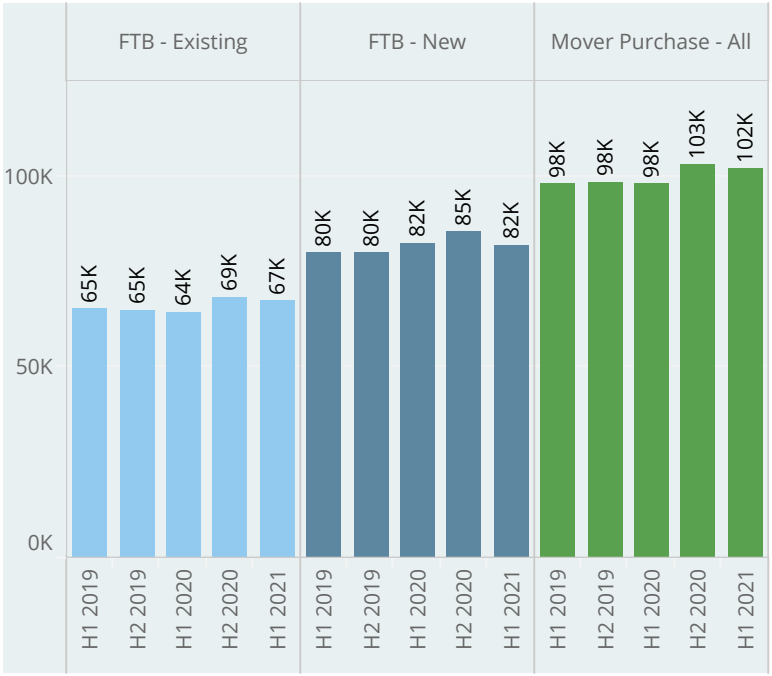
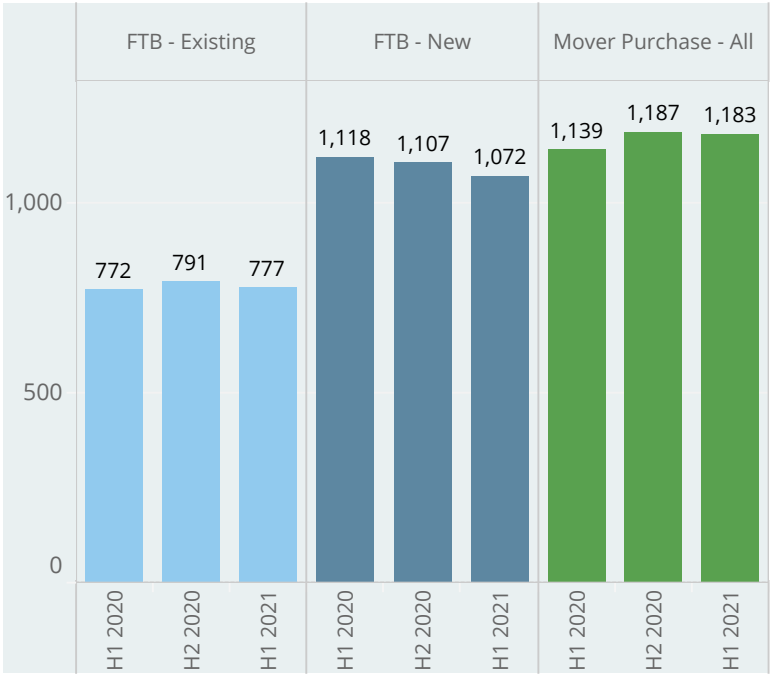
National

Median Basic Household Income



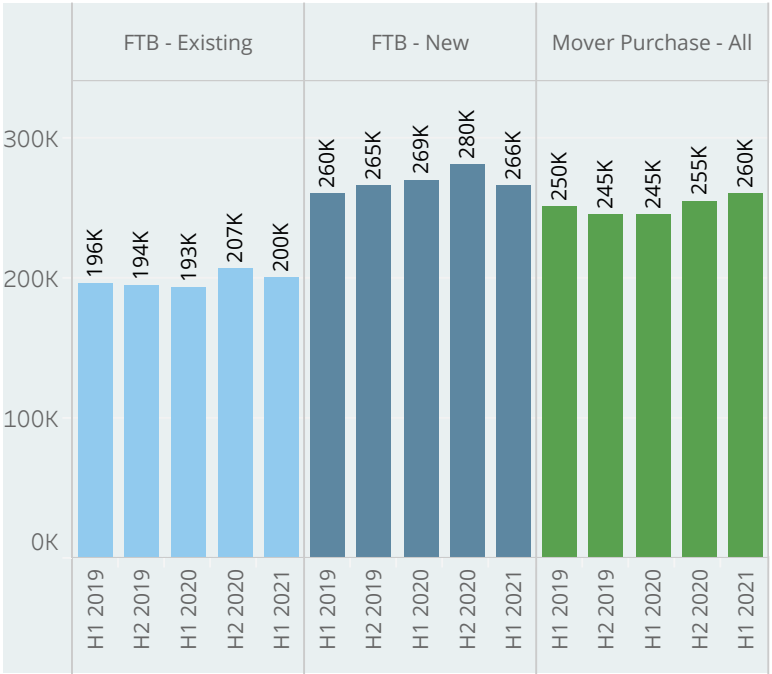
Median Monthly Repayment



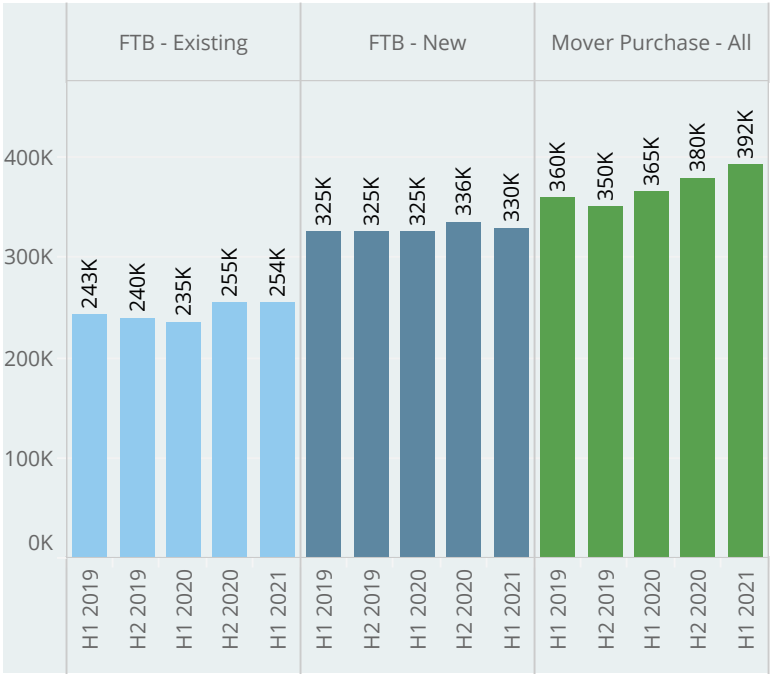
Note: Excluding self-builds

FTB - Existing FTB - New Mover Purchase - All

Median Loan



Median Property Value



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Mortgage Market Profile Report

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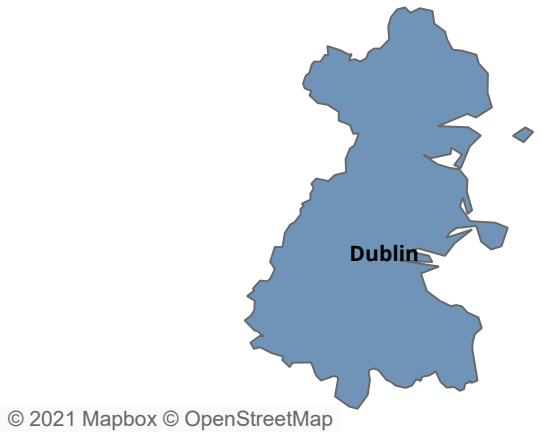
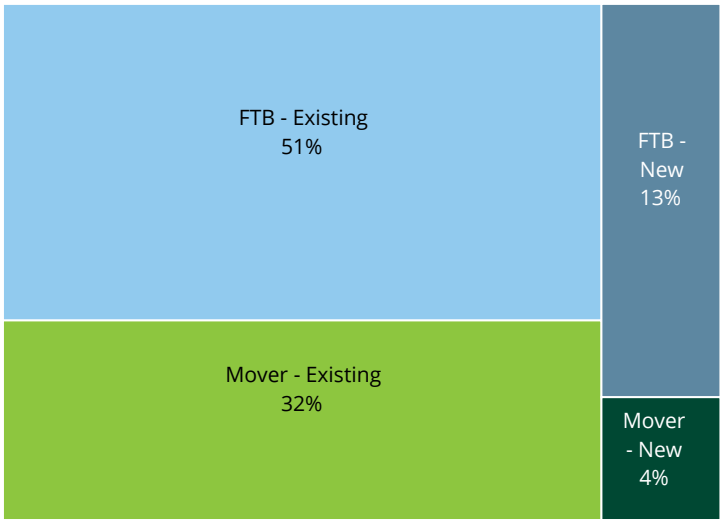
Dublin



Customer Type-Property Status Share

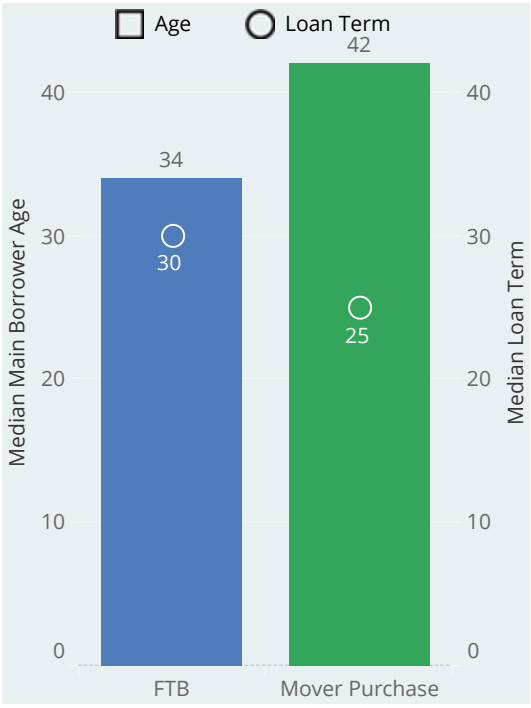


Note: All charts on this page refer to H1 2021.

Some 83% of home mortgages were secured on existing properties. About 37% of FTB and 24% of mover purchase mortgages in Dublin were for terraced houses – the only region in the country where this dwelling type had a substantial share.

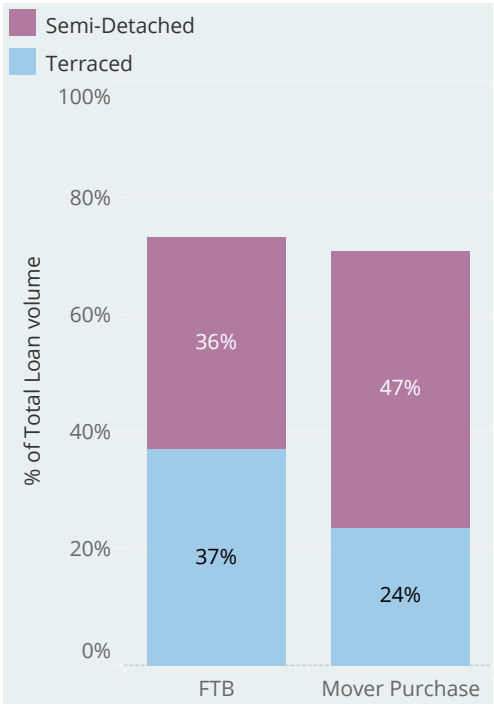
The median property value increased by about 9% for each customer/property types between H1 2019 and H1 2021.

Borrower Age/Loan Term



Self-build % - New

Main Dwelling Types



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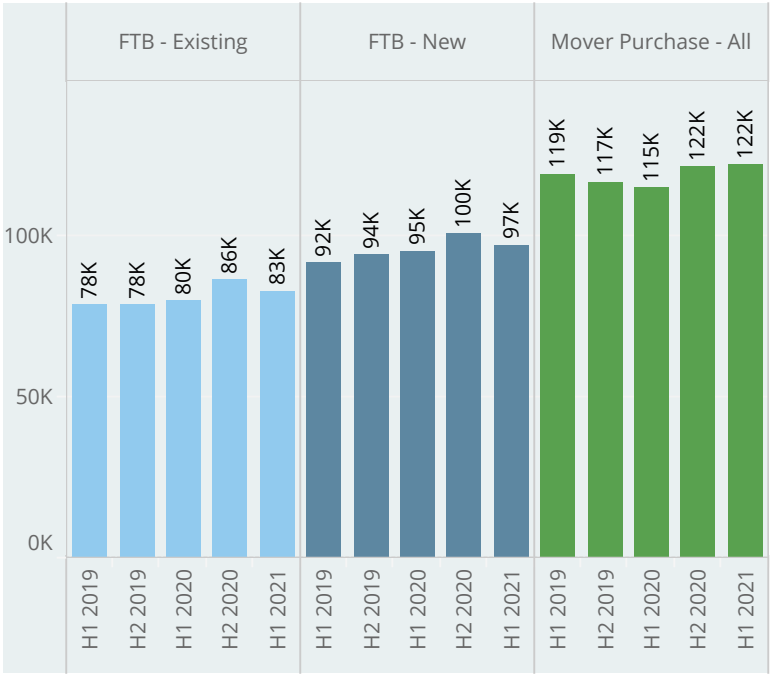
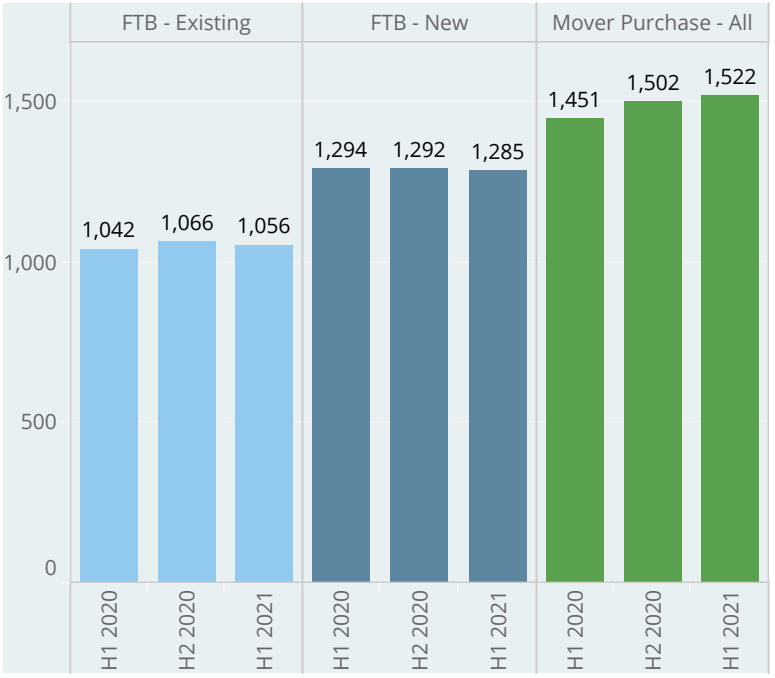
Dublin

Median Basic Household Income



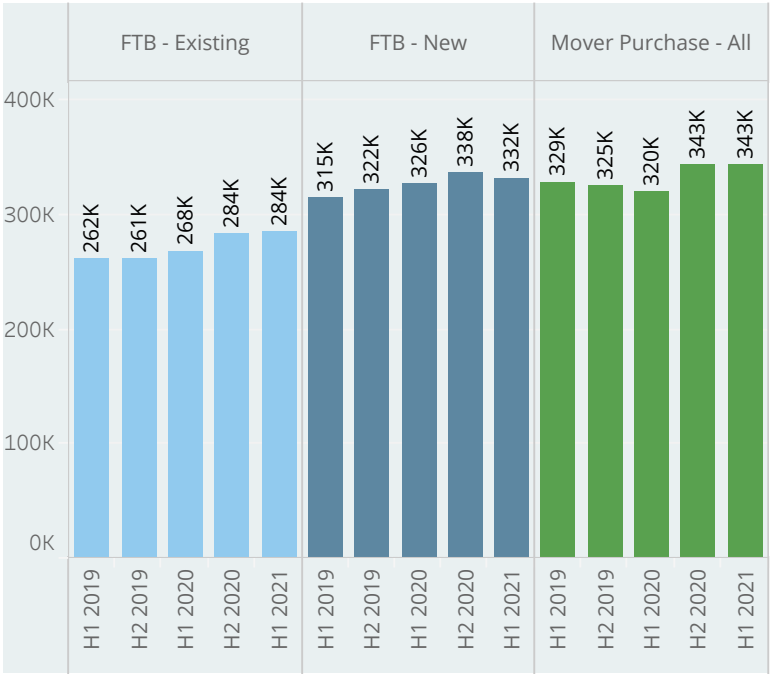
Median Monthly Repayment



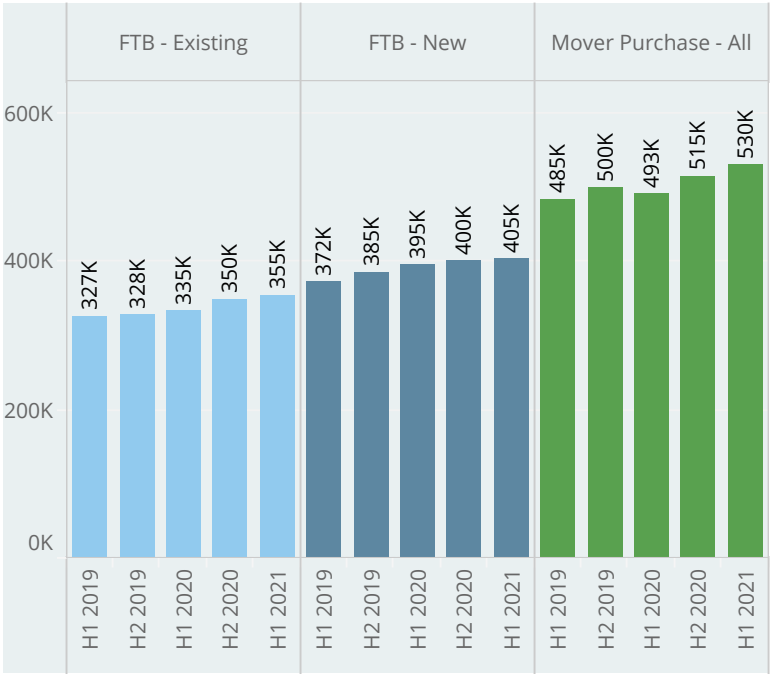
Note: Excluding self-builds

FTB - Existing FTB - New Mover Purchase - All

Median Loan



Median Property Value



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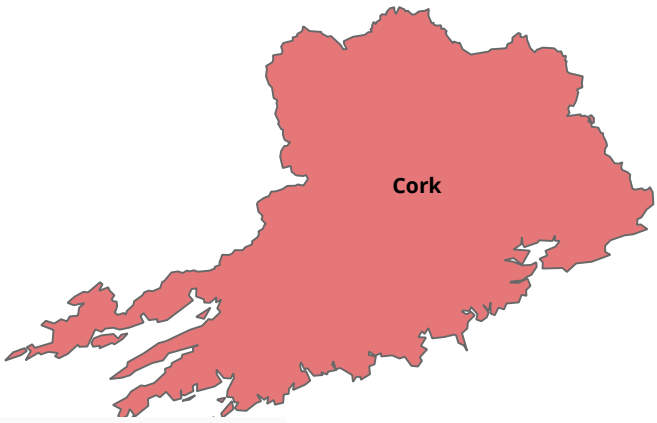
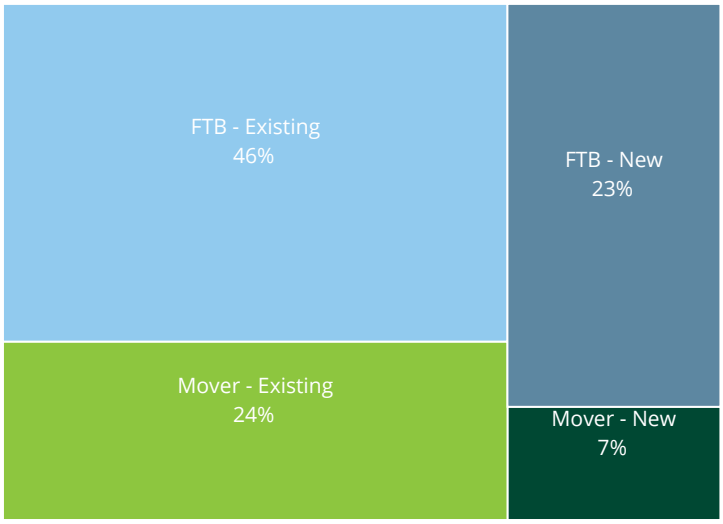
Cork



Customer Type-Property Status Share

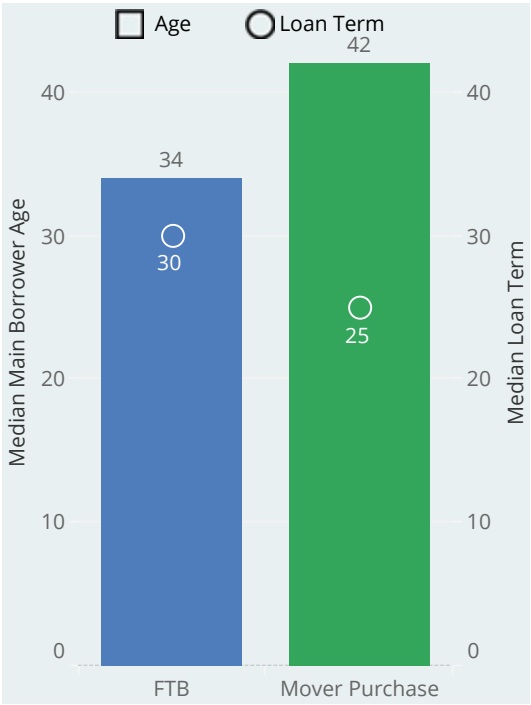


Note: All charts on this page refer to H1 2021.

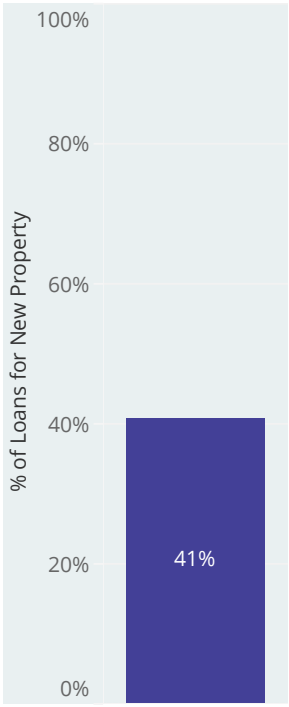
The median FTB mortgage repayment (excluding self-builds) on new properties in Cork was almost identical to the median mover purchase repayment in H1 2021 while the median FTB repayment on existing properties was some 29% lower. The median FTB mortgage loan value on new property was about €35,000 higher than the median mover purchase mortgage.

Almost two thirds of mover purchase mortgages (63%) were secured on detached houses/bungalows.

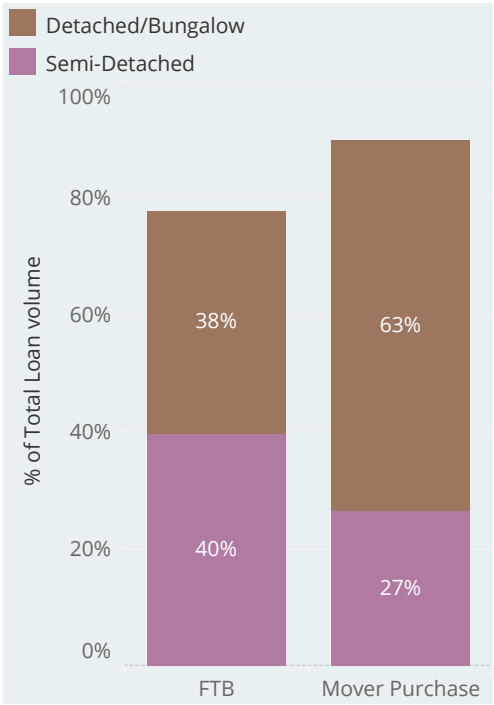
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types



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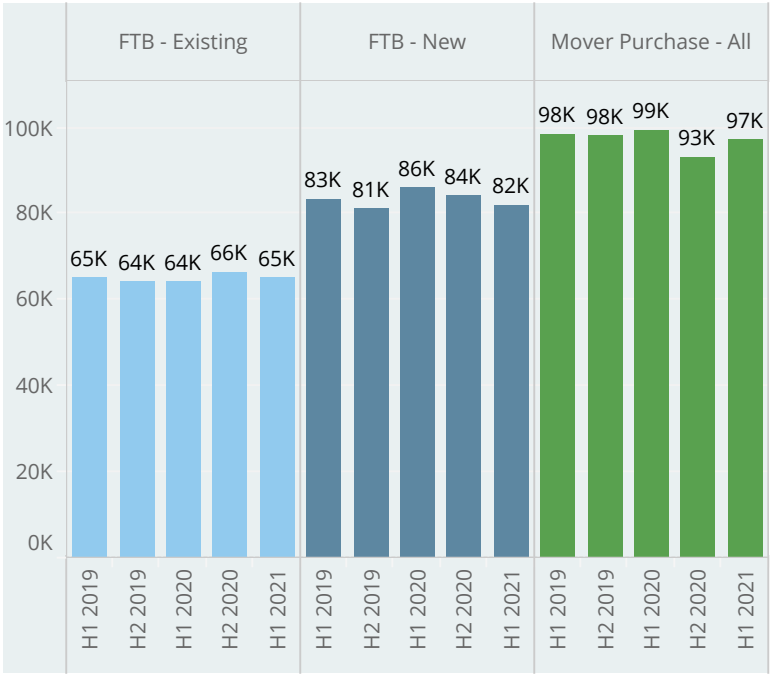
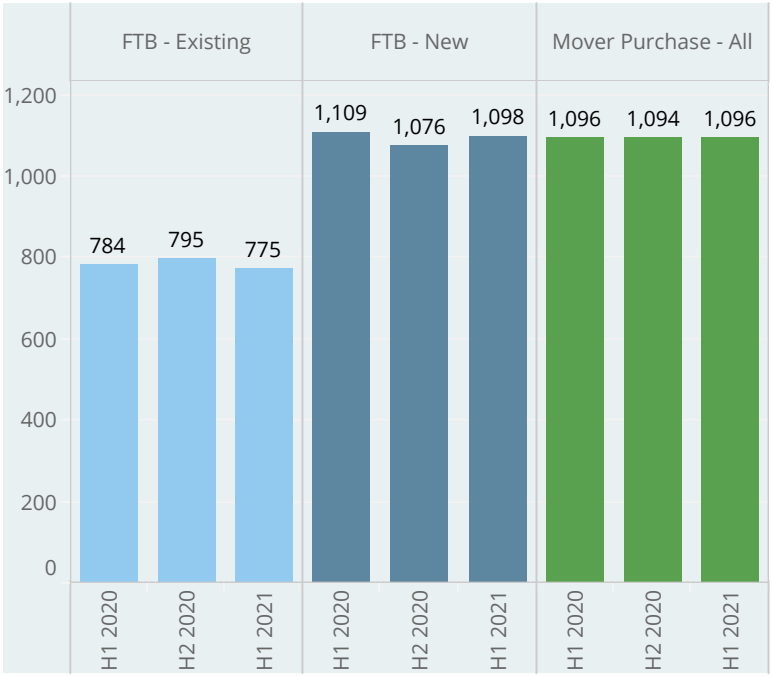
Cork

Median Basic Household Income



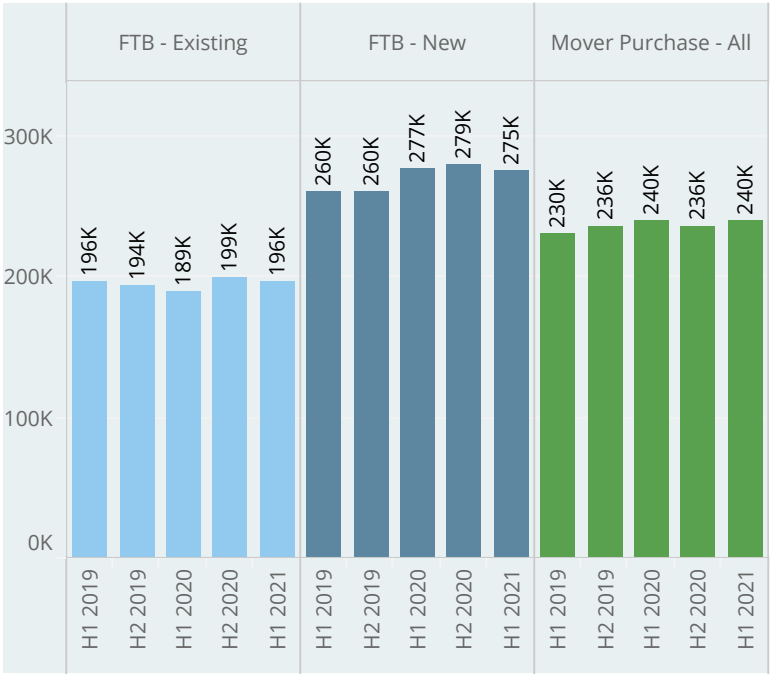
Median Monthly Repayment



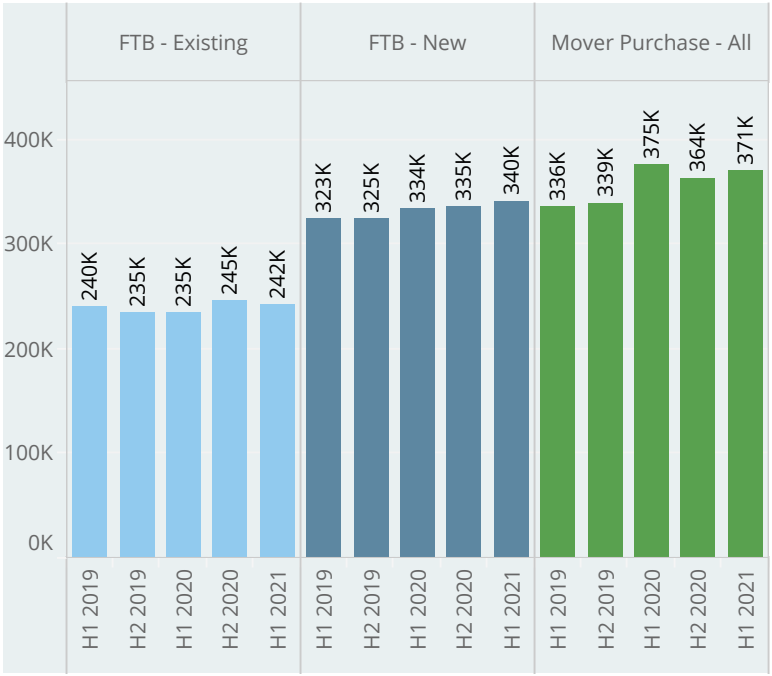
Note: Excluding self-builds

FTB - Existing FTB - New Mover Purchase - All

Median Loan



Median Property Value



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Mortgage Market Profile Report

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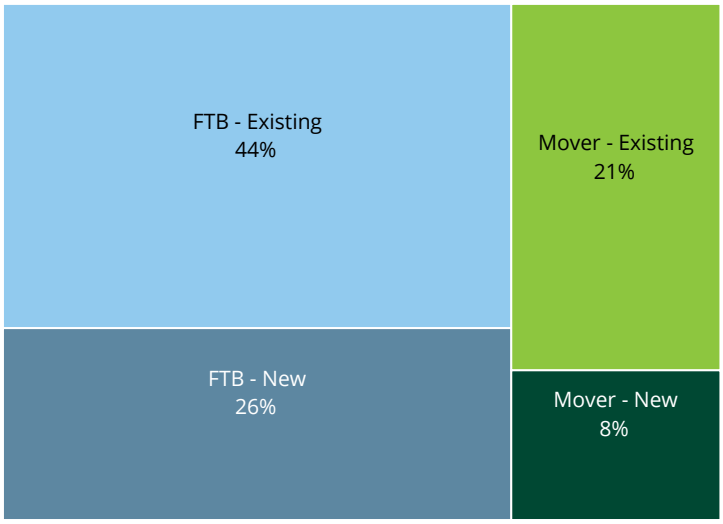
Galway

Customer Type-Property Status Share

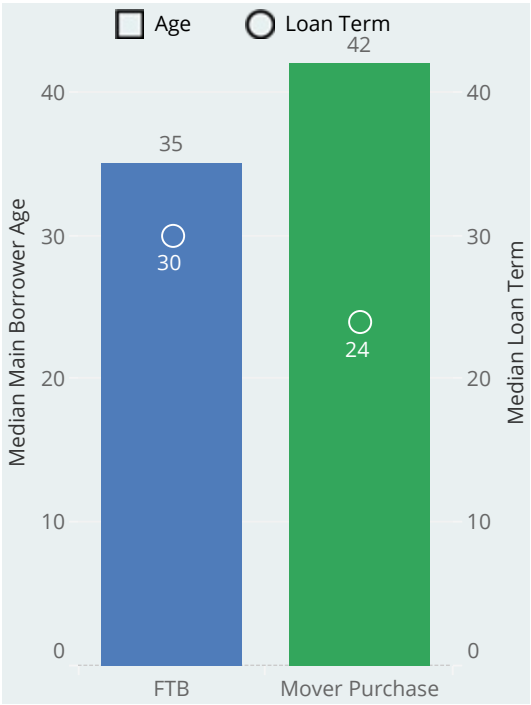


Note: All charts on this page refer to H1 2021.

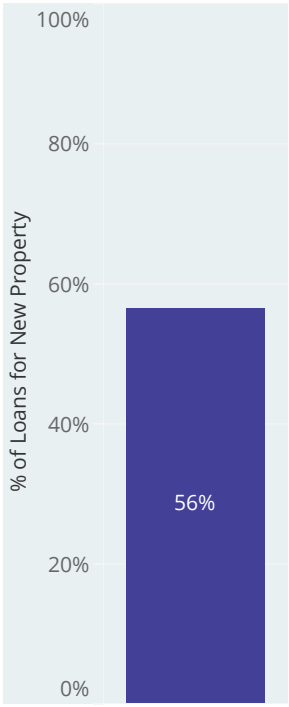
Self-builds accounted for 56% of home mortgages secured on new properties in Galway in H1 2021. More than half of FTB and mover purchase mortgages were for detached houses/bungalow, at 51% and 67%, respectively.

The median FTB monthly repayment on new property (excluding self-builds) fell by about €200 to €1,054 between H1 2020 and H1 2021.

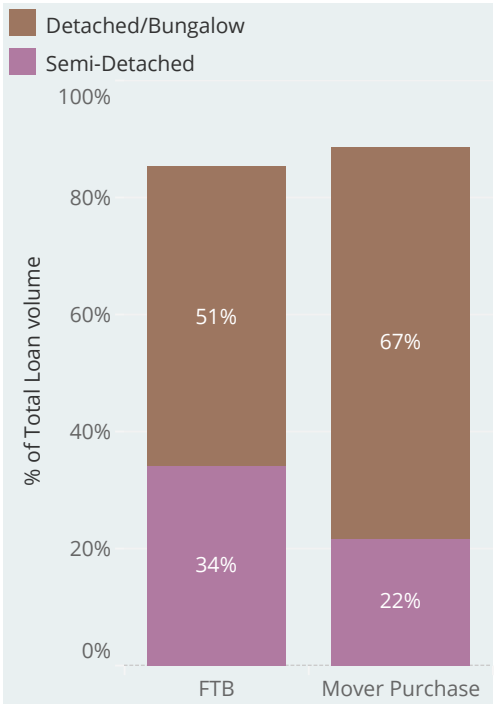
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types



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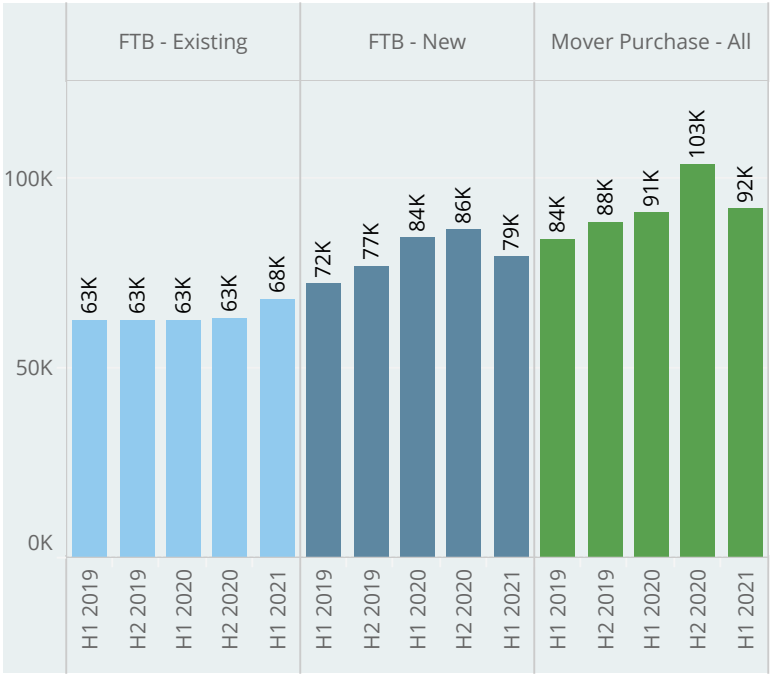
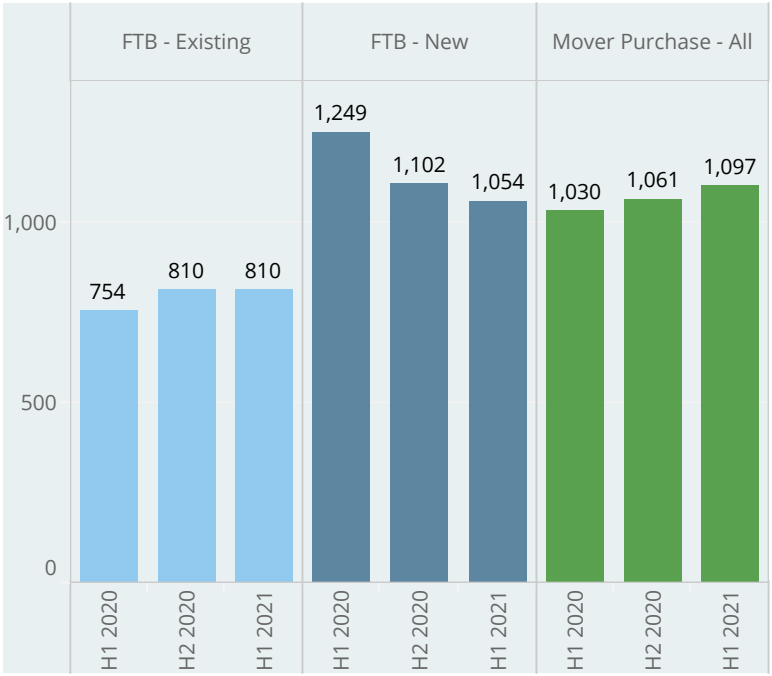
Galway

Median Basic Household Income



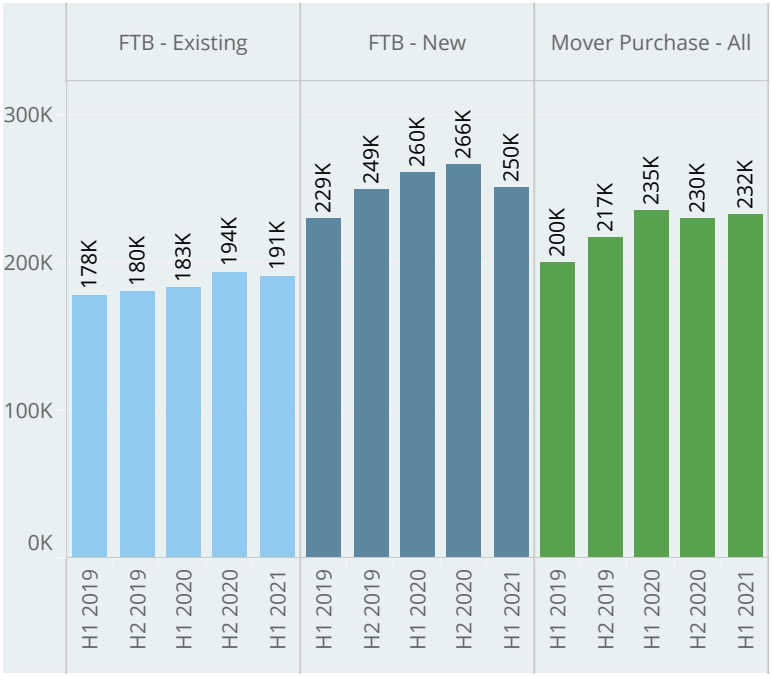
Median Monthly Repayment



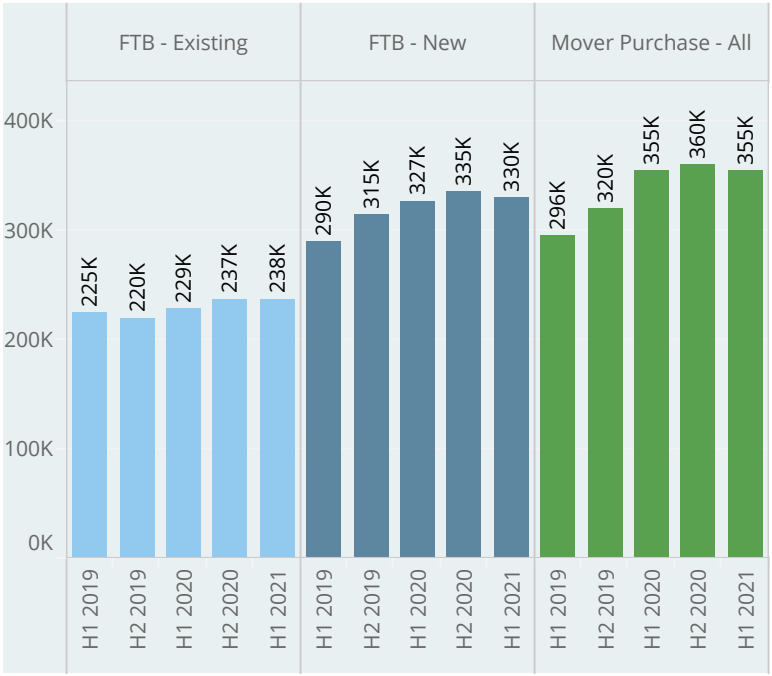
Note: Excluding self-builds

FTB - Existing FTB - New Mover Purchase - All

Median Loan



Median Property Value



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Mortgage Market Profile Report

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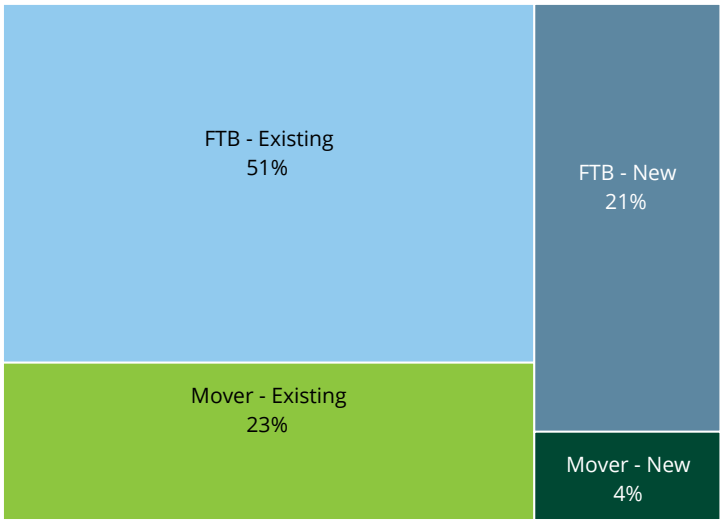
Limerick

Customer Type-Property Status Share

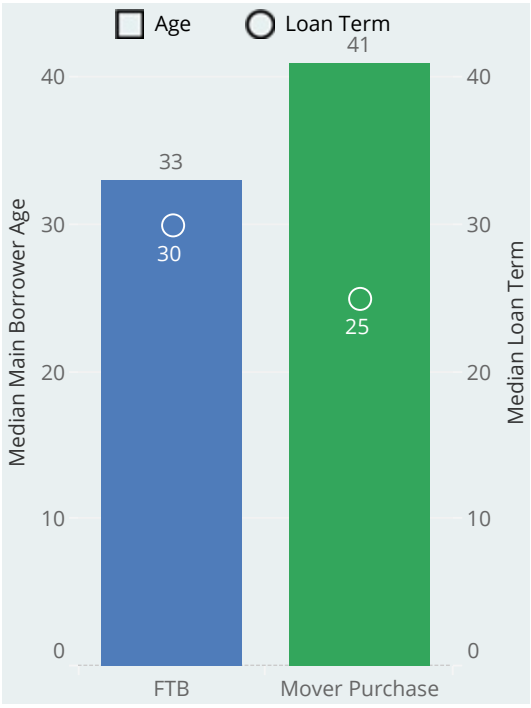


Note: All charts on this page refer to H1 2021.

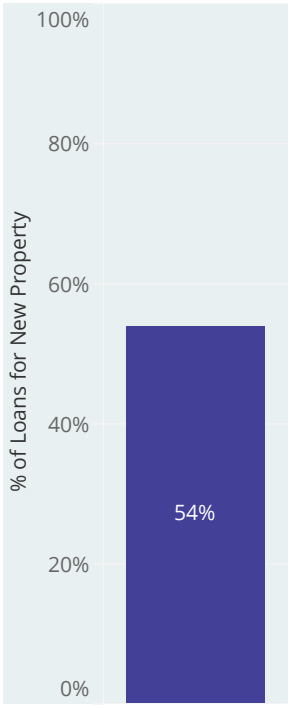
FTB mortgages on existing properties accounted for more than half of home mortgages in Limerick in H1 2021, while only 26% of home mortgages were secured on new properties – the lowest share in the country.

Some two-thirds (66%) of mover purchase mortgages were secured on detached houses/bungalows.

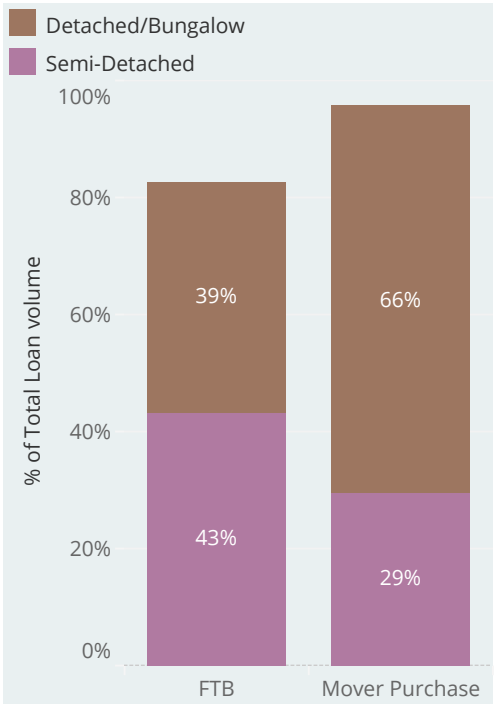
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types



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Mortgage Market Profile Report

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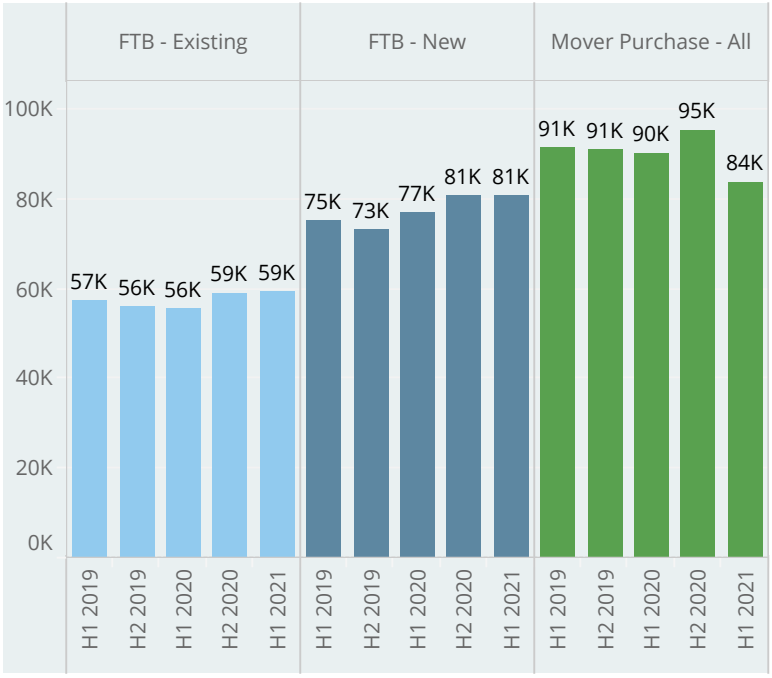
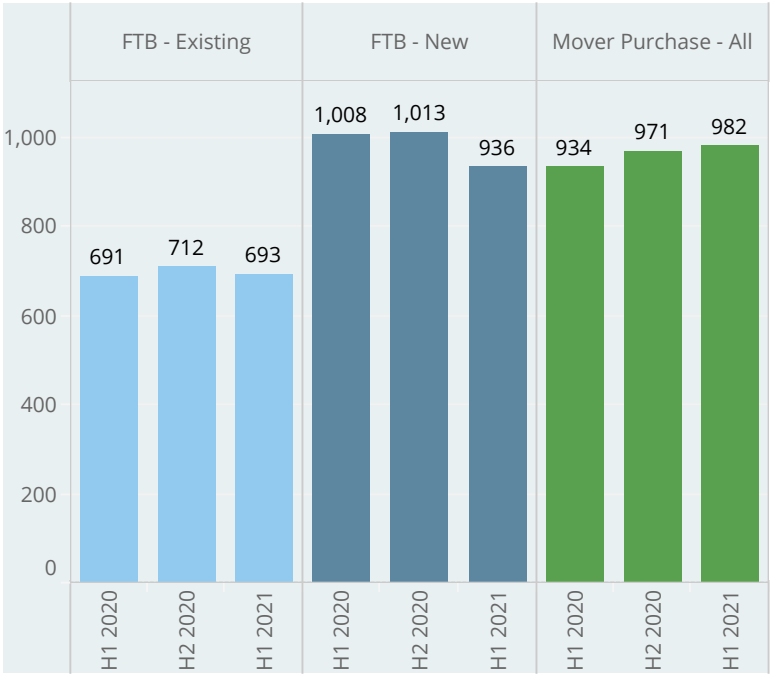
Limerick

Median Basic Household Income



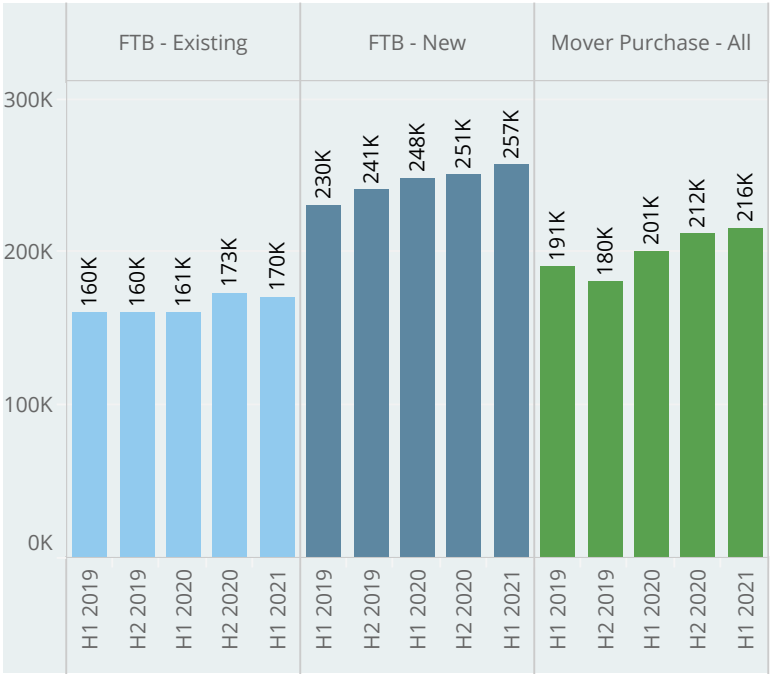
Median Monthly Repayment



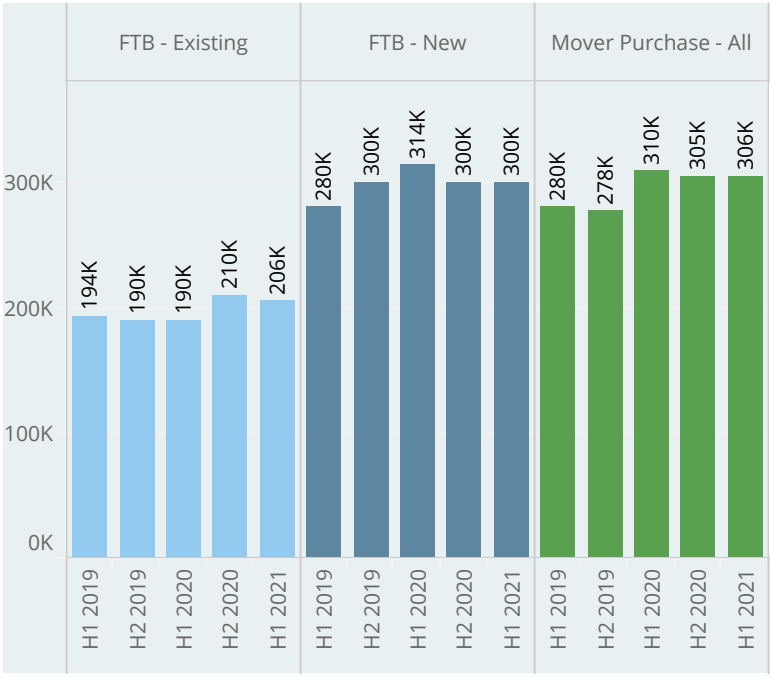
Note: Excluding self-builds

FTB - Existing FTB - New Mover Purchase - All

Median Loan



Median Property Value



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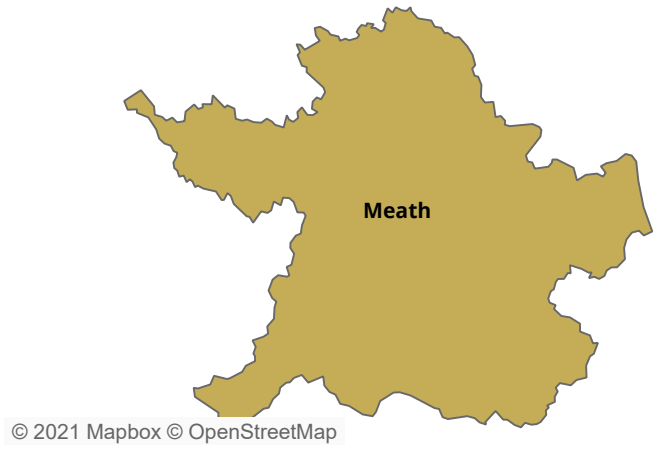
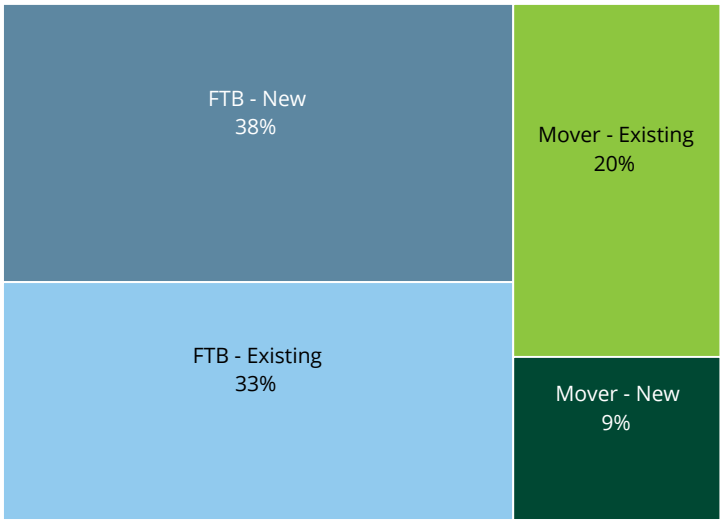
Meath



Customer Type-Property Status Share

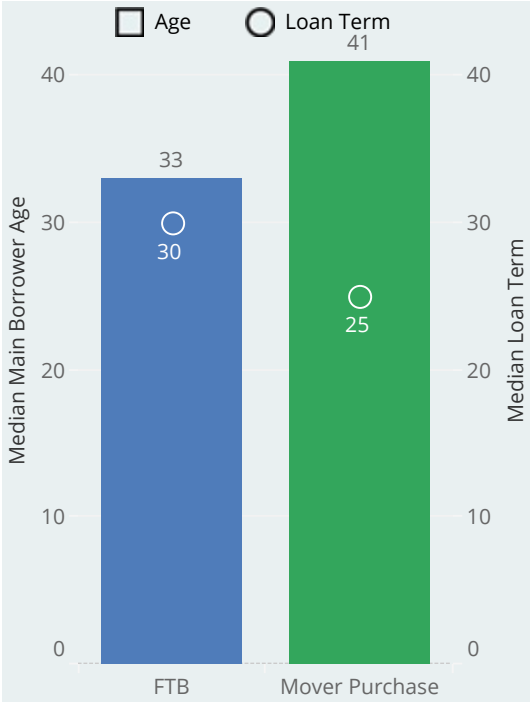


Note: All charts on this page refer to H1 2021.

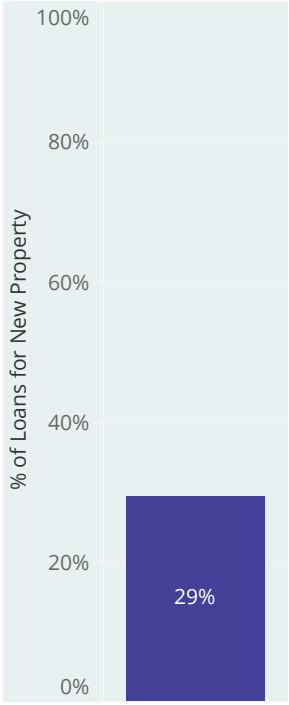
FTB mortgages on new property accounted for 38% of home mortgages in Meath in H1 2021 – the highest share for that segment in the country. Some 71% of home mortgages were drawn down by FTBs.

The median basic household income of FTBs buying or building new properties was only €7,000 less than median income of mover purchasers, but €18,000 more than the median income of FTBs buying existing properties.

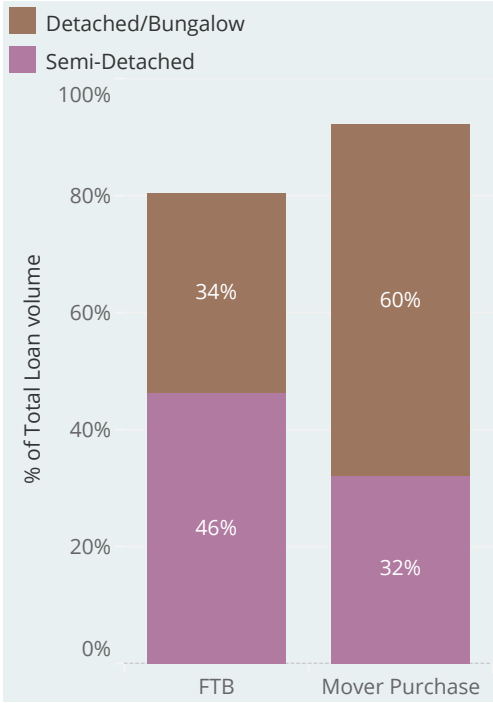
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types



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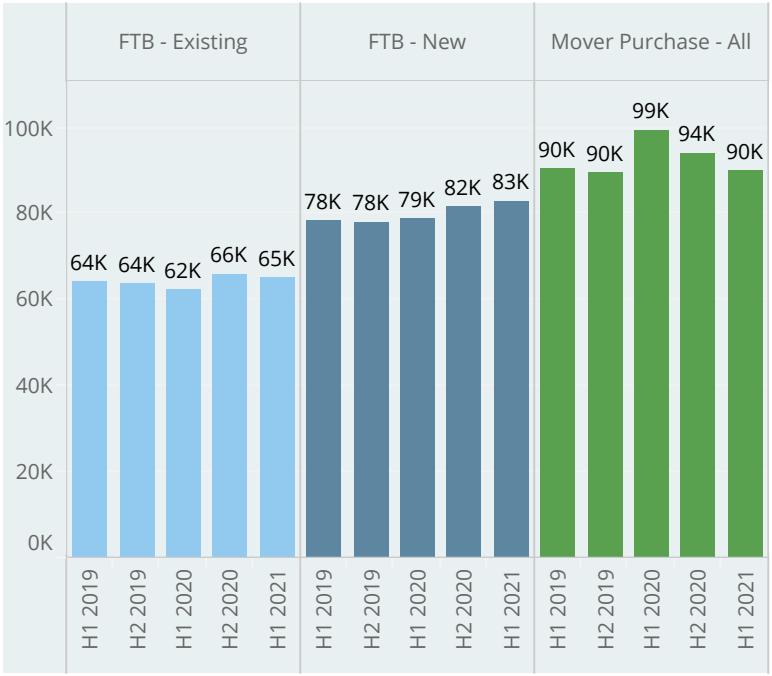
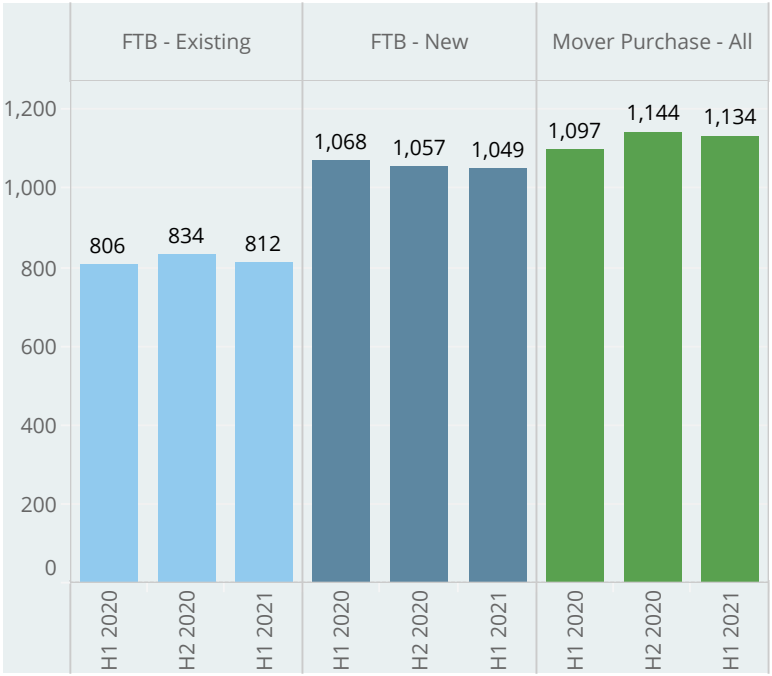
Meath

Median Basic Household Income



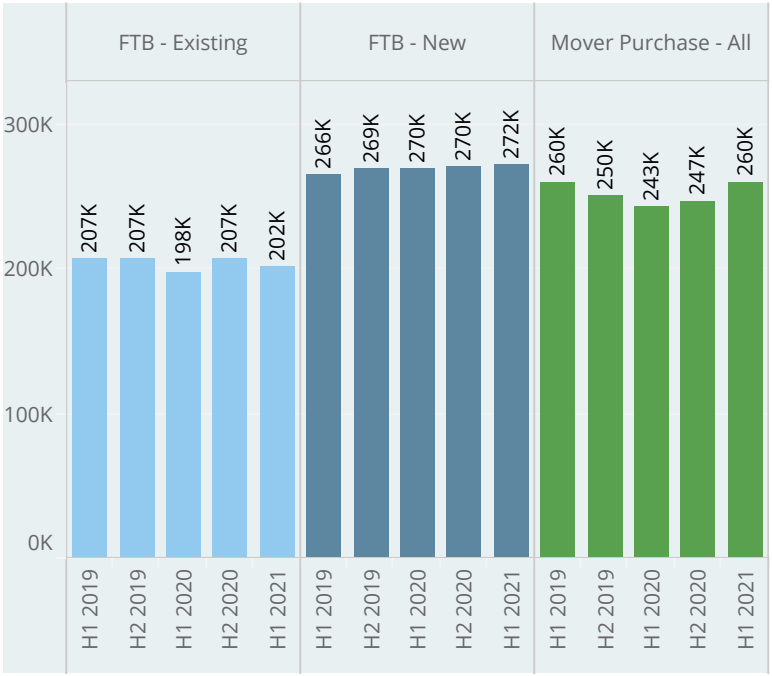
Median Monthly Repayment



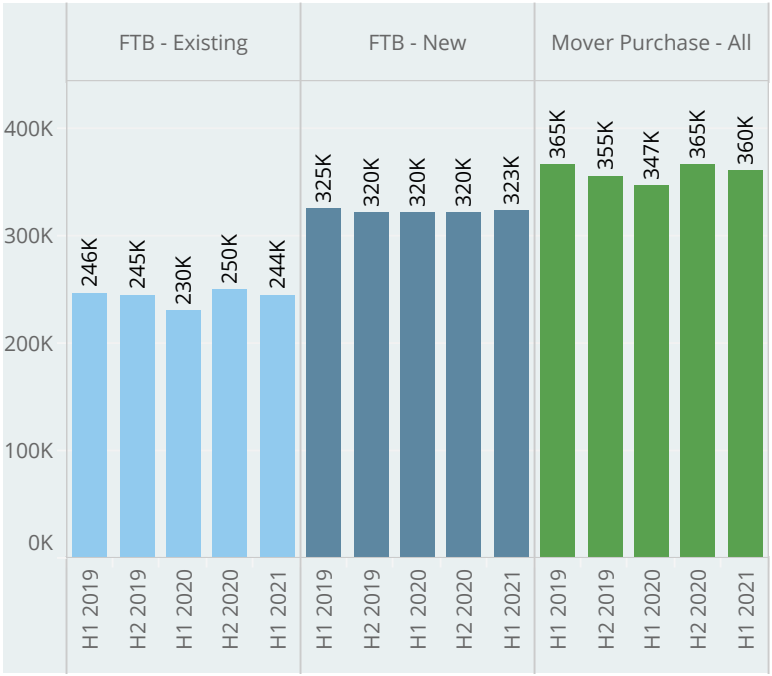
Note: Excluding self-builds

FTB - Existing FTB - New Mover Purchase - All

Median Loan



Median Property Value



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Mortgage Market Profile Report

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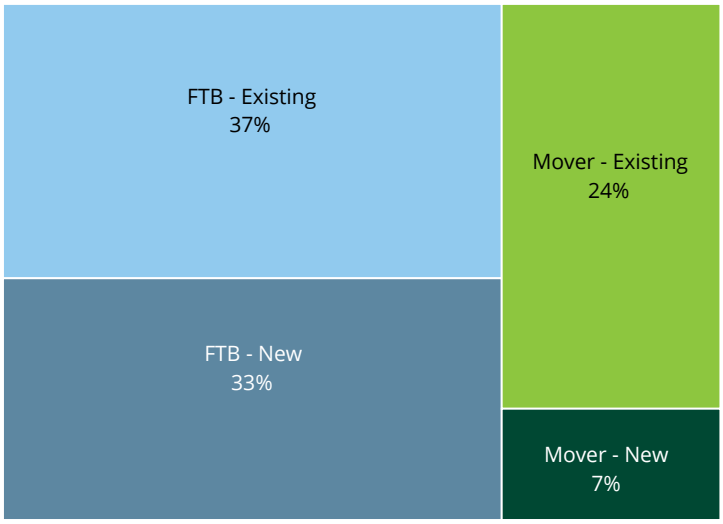
Kildare

Customer Type-Property Status Share

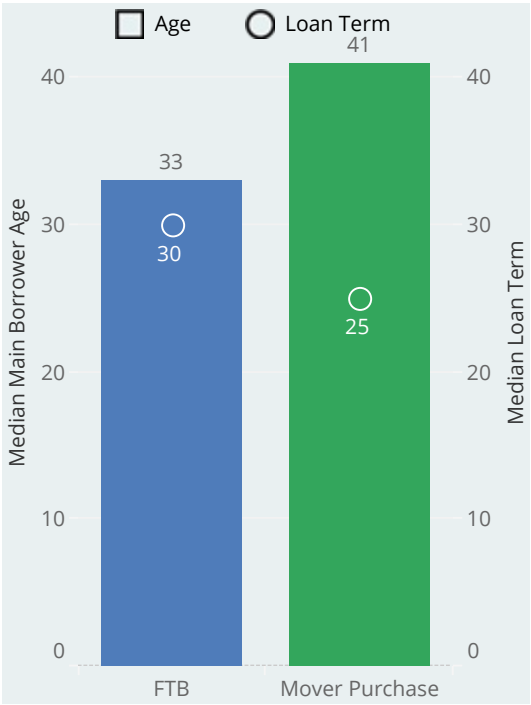


Note: All charts on this page refer to H1 2021.

FTBs accounted for 70% of home mortgages in Kildare in H1 2021. Some 54% of FTB mortgages financed the acquisition of semi-detached houses, the highest proportion in the country. Self-builds accounted for only 10% of mortgages secured on new properties – the lowest proportion in the country, apart from Dublin.

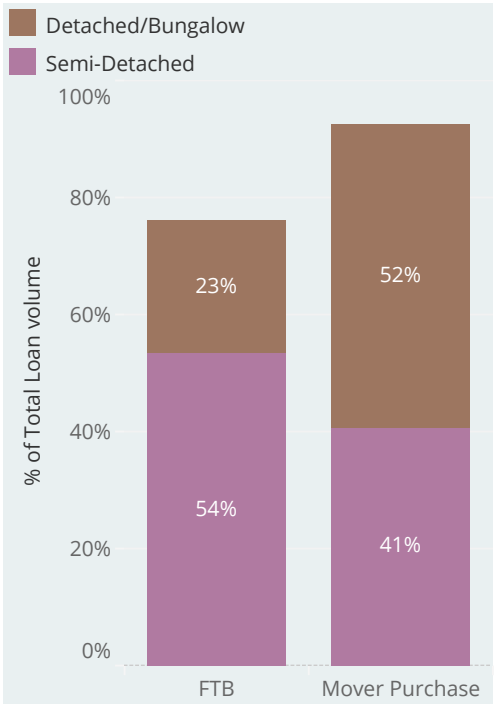
FTBs drawing down loans on new properties had median basic household income of about €89,000 – the highest in the country, outside Dublin.

Borrower Age/Loan Term



Self-build % - New

Main Dwelling Types



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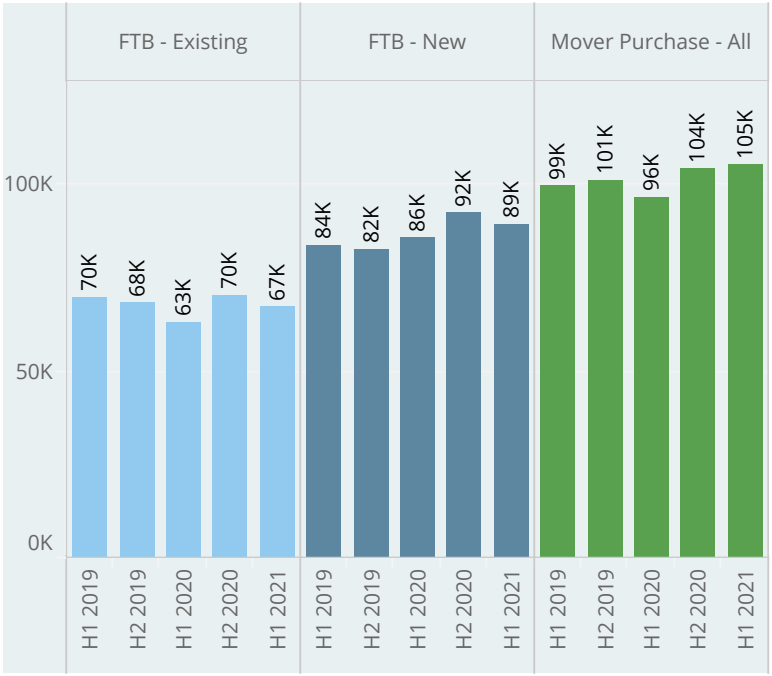
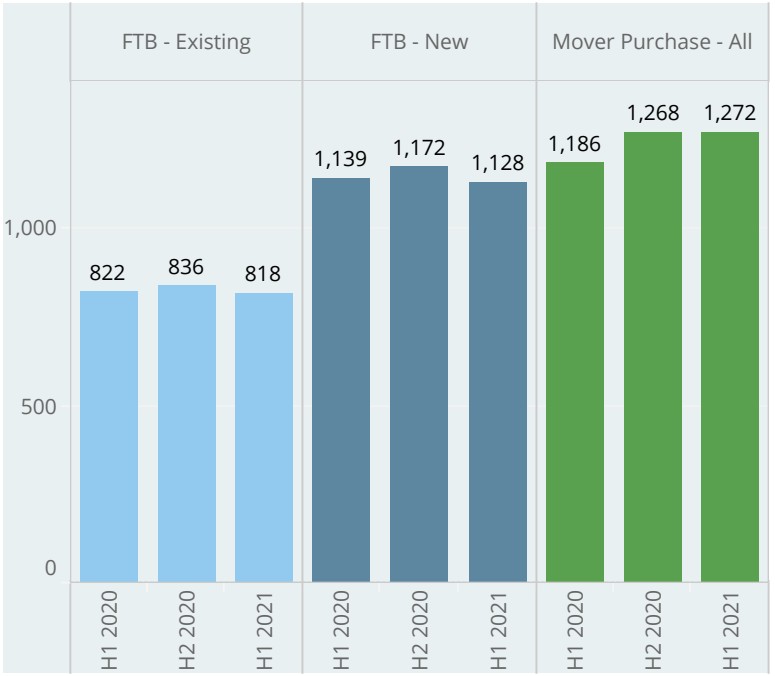
Kildare

Median Basic Household Income



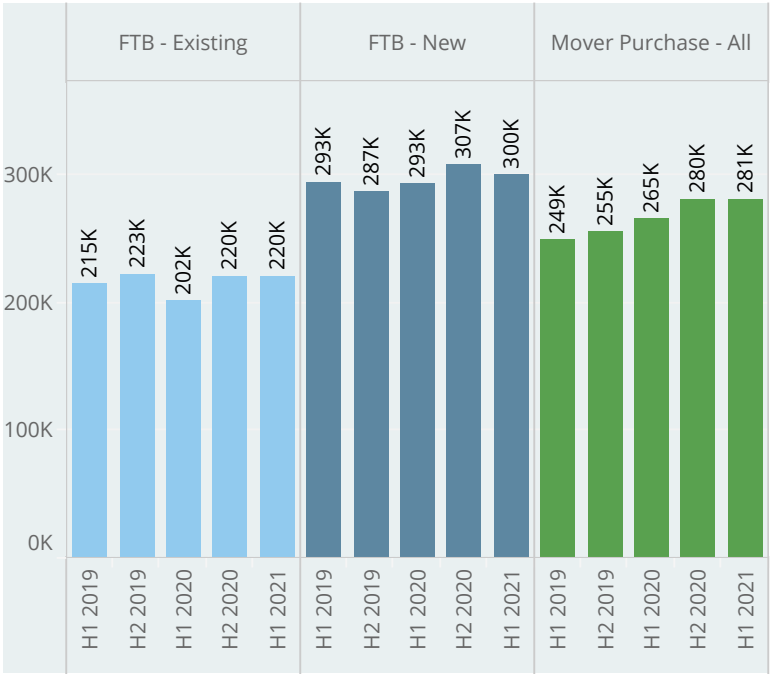
Median Monthly Repayment



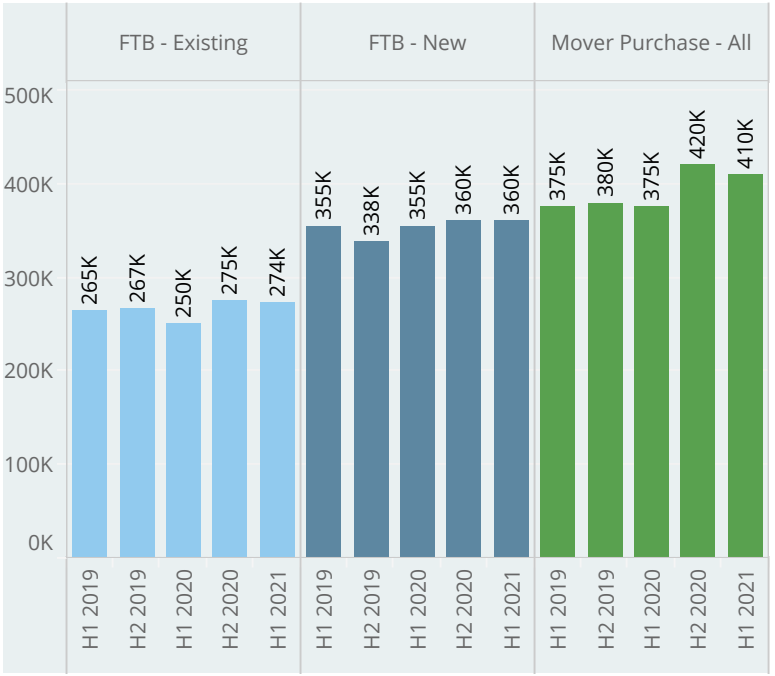
Note: Excluding self-builds

FTB - Existing FTB - New Mover Purchase - All

Median Loan



Median Property Value



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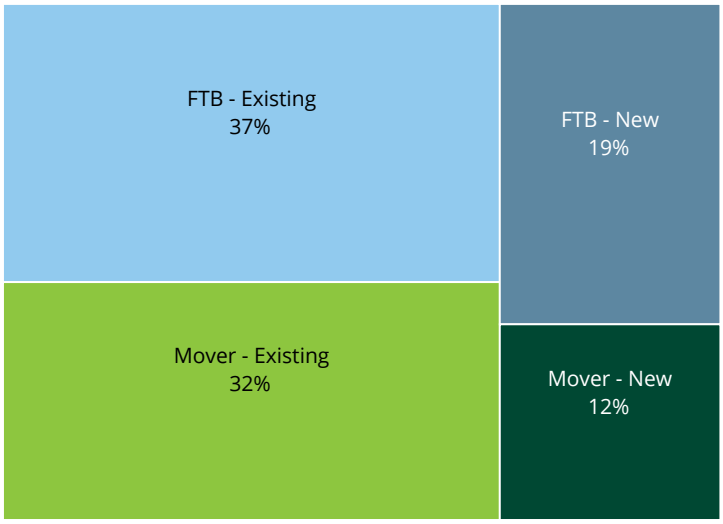
Wicklow

Customer Type-Property Status Share

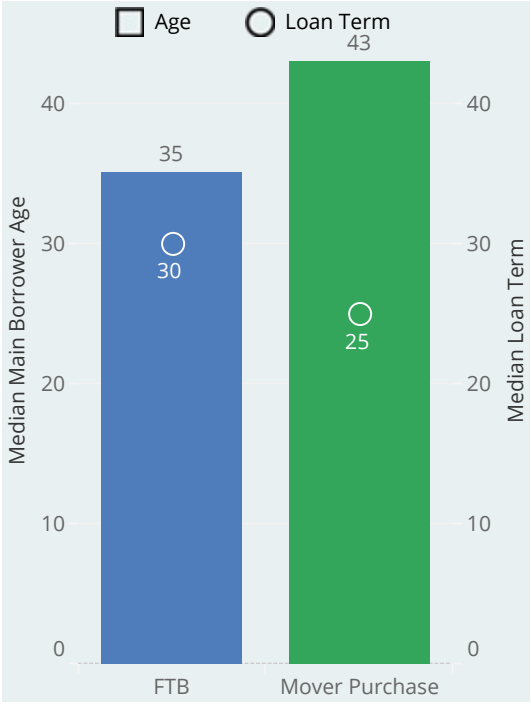


Note: All charts on this page refer to H1 2021.

Mover purchasers accounted of 44% of home mortgages in Wicklow in H1 2021 – the highest share in the country.

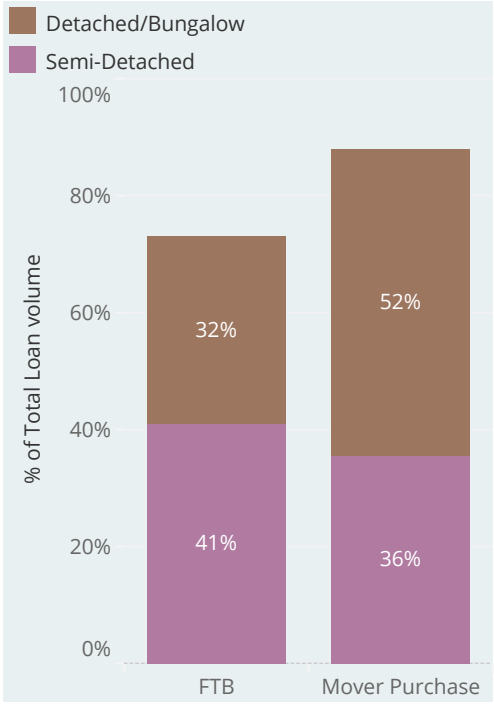
The county had the country's second highest median monthly repayments (excluding self-builds), loan values and property values in the country in most categories (except median FTB loans on new properties, which were higher in Kildare).

Borrower Age/Loan Term



Self-build % - New

Main Dwelling Types



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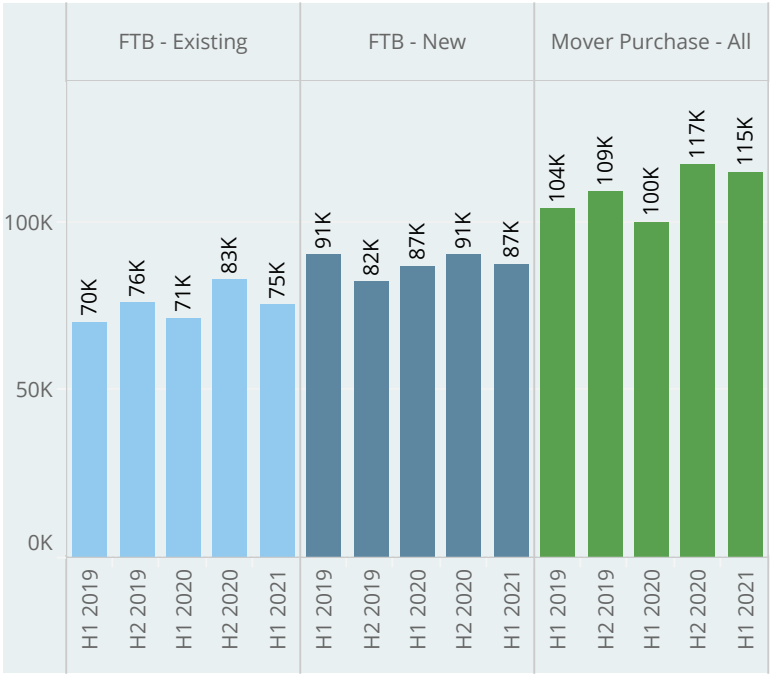
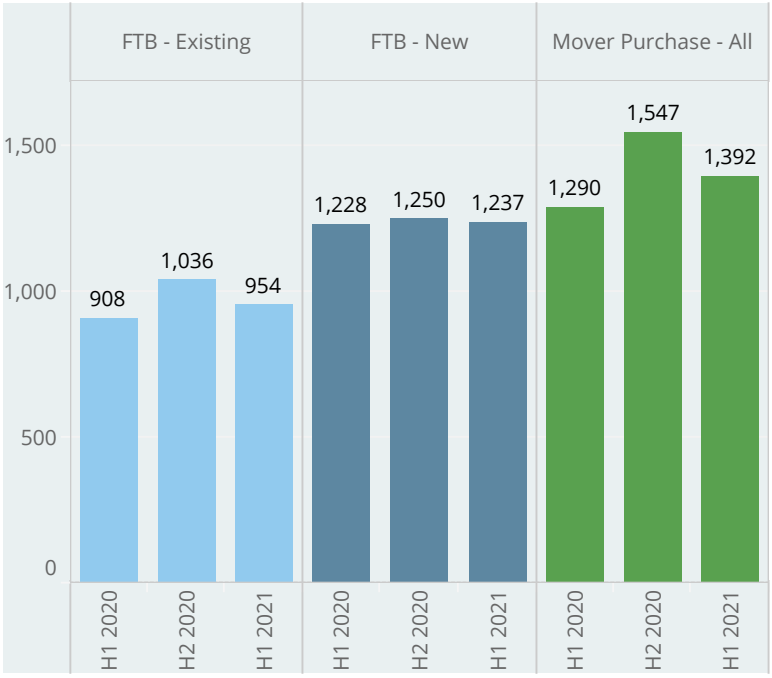
Wicklow

Median Basic Household Income



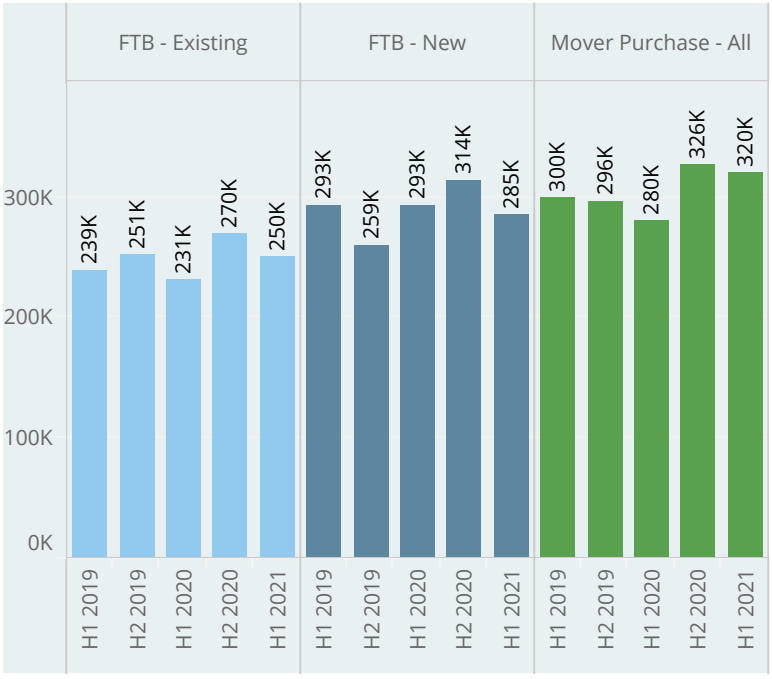
Median Monthly Repayment



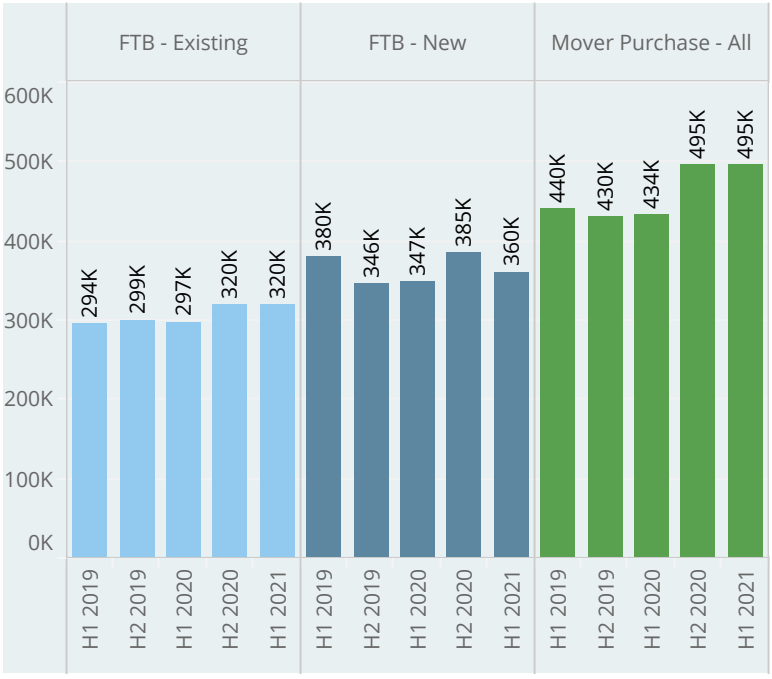
Note: Excluding self-builds

FTB - Existing FTB - New Mover Purchase - All

Median Loan



Median Property Value



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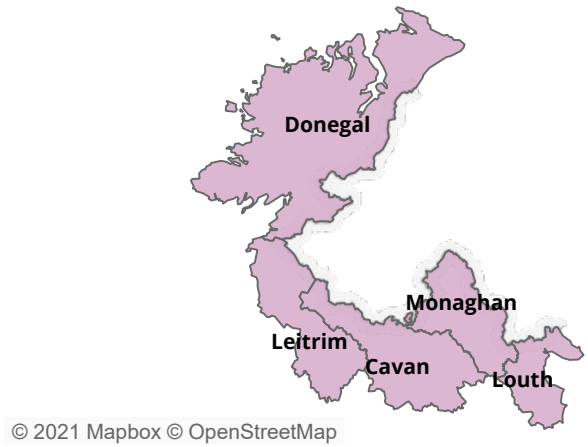
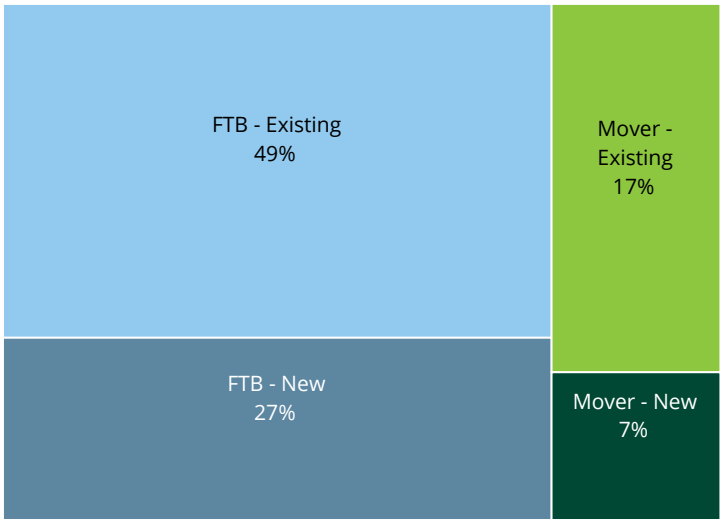
Border



Customer Type-Property Status Share

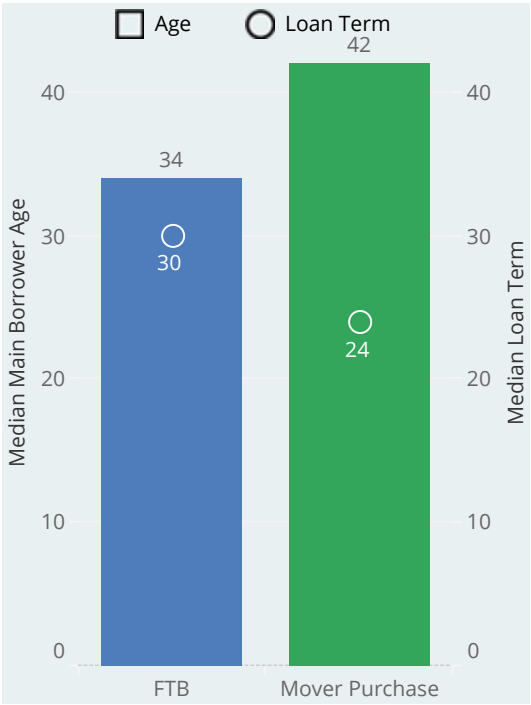


Note: All charts on this page refer to H1 2021.

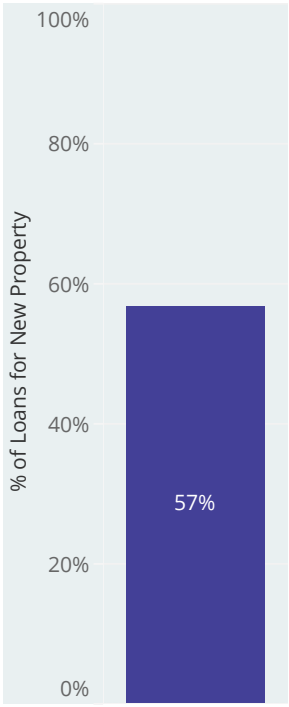
In H1 2021, FTBs accounted for some 76% of home mortgages in the Border region. Some 76% of mover purchase mortgages in the Border region were for detached houses/bungalows.

The median basic household incomes for FTBs acquiring new properties and mover purchasers were the lowest of any region, at €68,000 and €81,000, respectively.

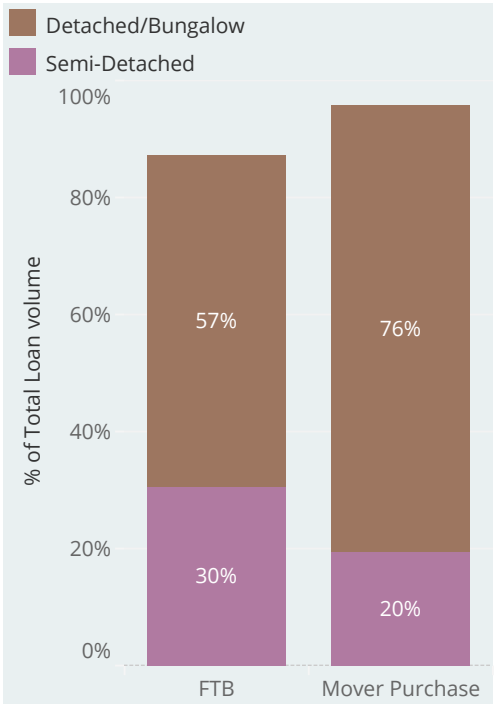
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types



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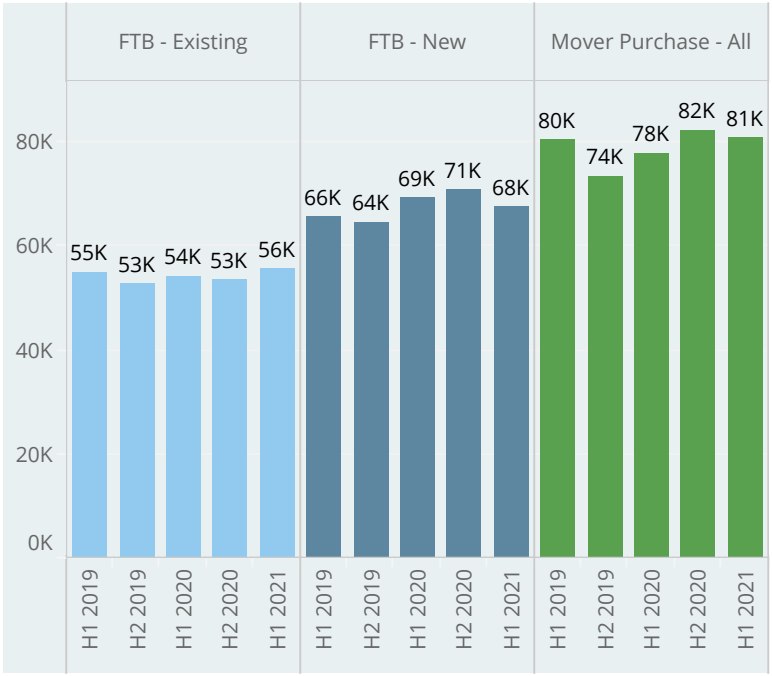
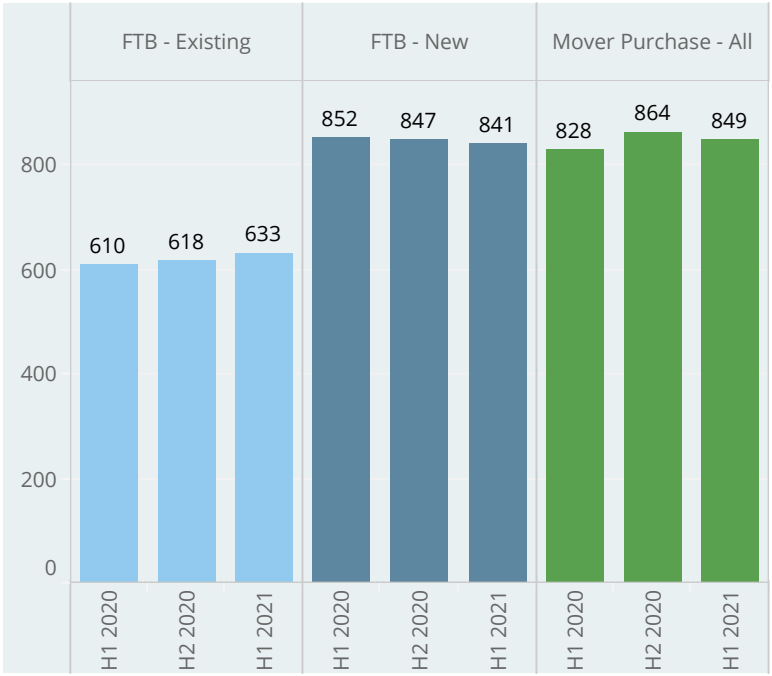
Border

Median Basic Household Income



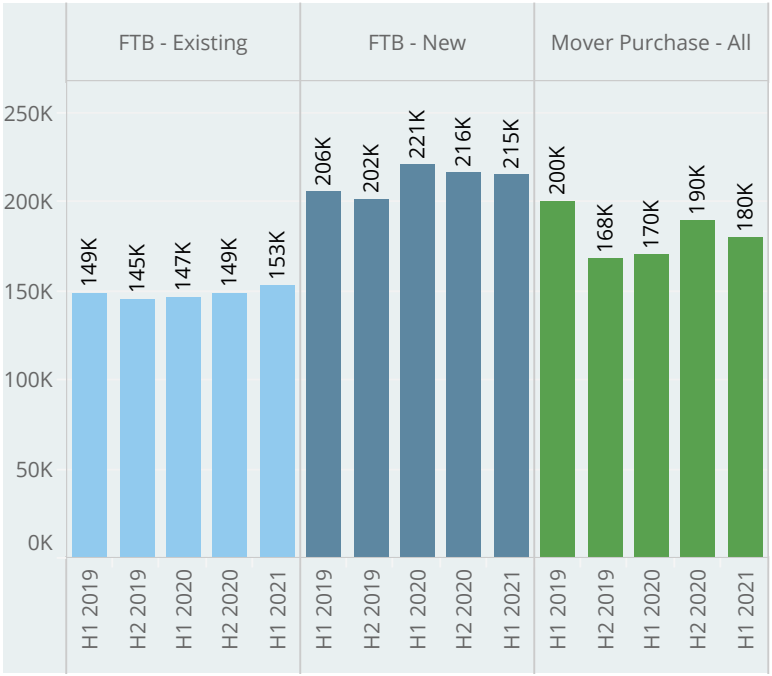
Median Monthly Repayment



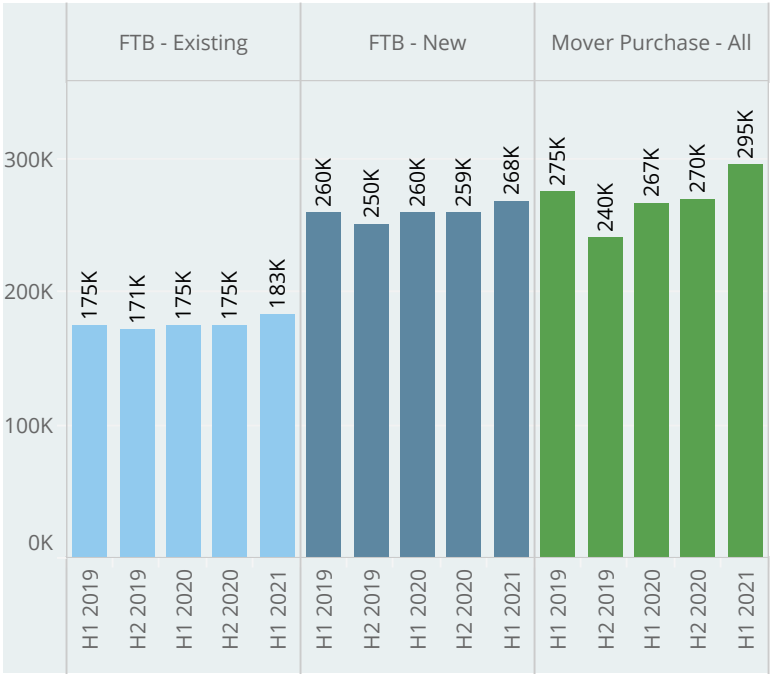
Note: Excluding self-builds

FTB - Existing FTB - New Mover Purchase - All

Median Loan



Median Property Value



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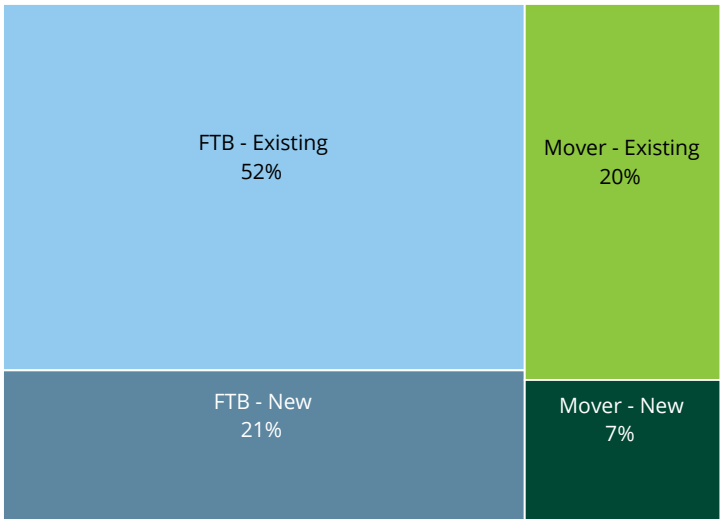
West

Customer Type-Property Status Share

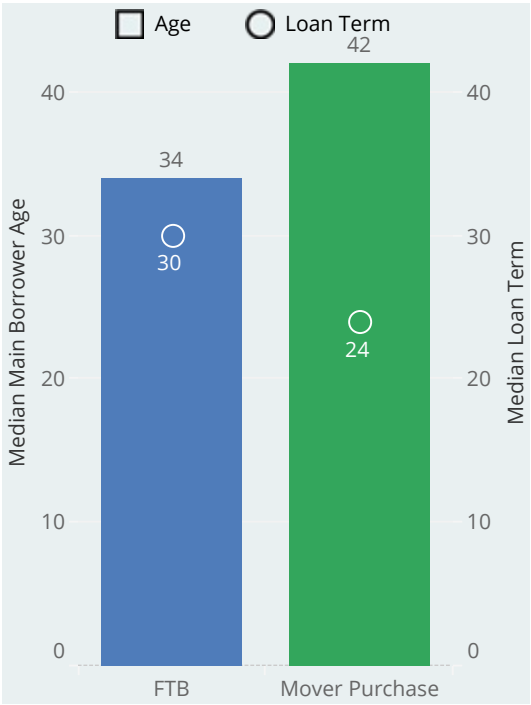


Note: All charts on this page refer to H1 2021.

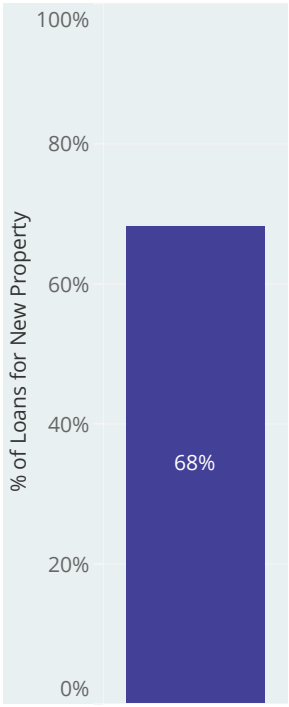
Some 68% of new properties financed by home mortgages in the West region were self-builds in H1 2021. Similarly, 85% of mover purchase and 60% of FTB mortgages were secured on detached houses/bungalows.

FTBs accounted for 73% of mortgages in H1 2021 and the median repayment on FTB mortgages for existing properties was the lowest in the country at €581.

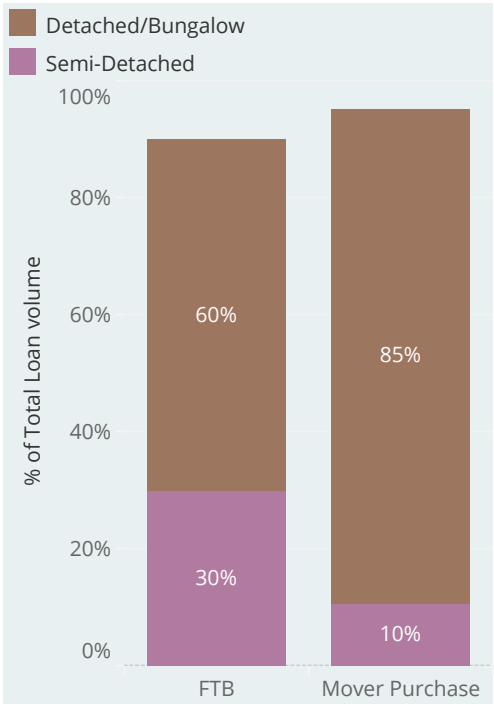
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types



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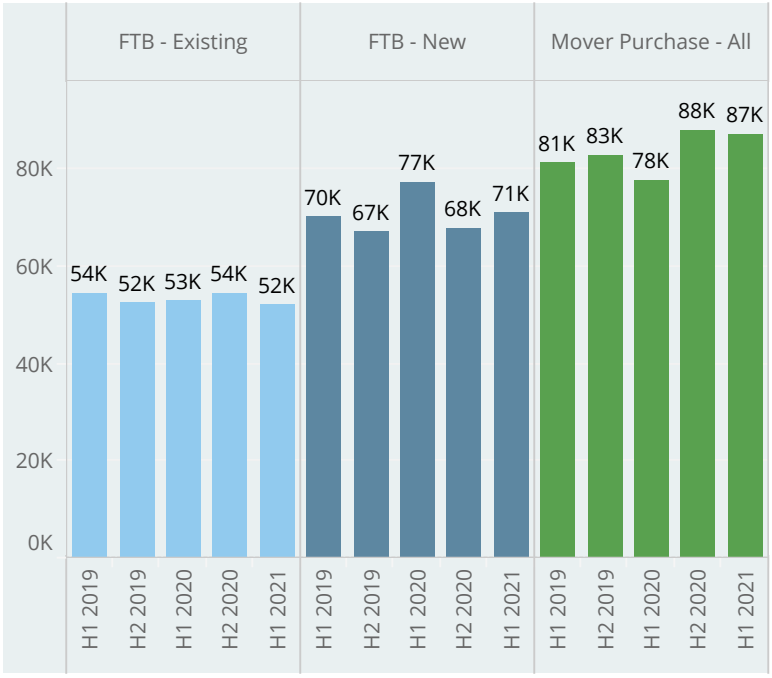
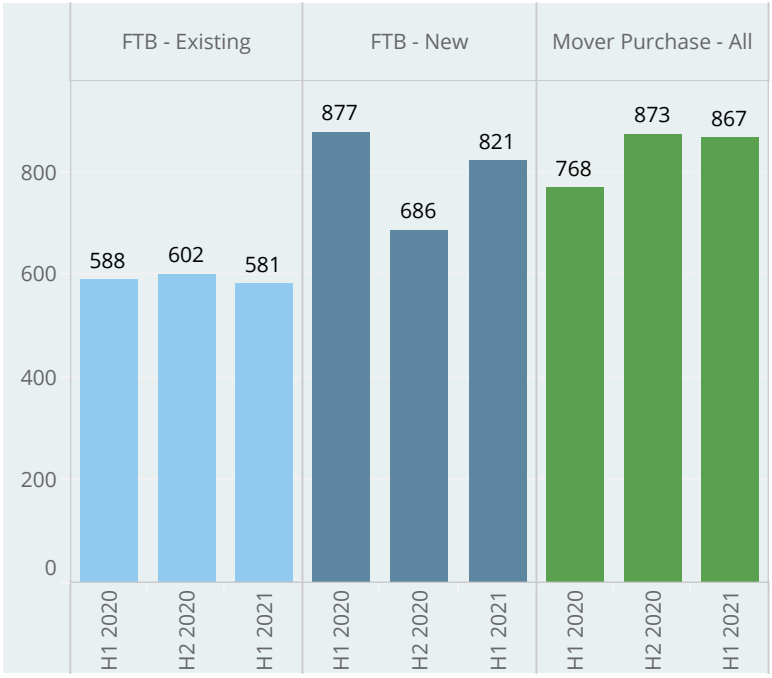
West

Median Basic Household Income



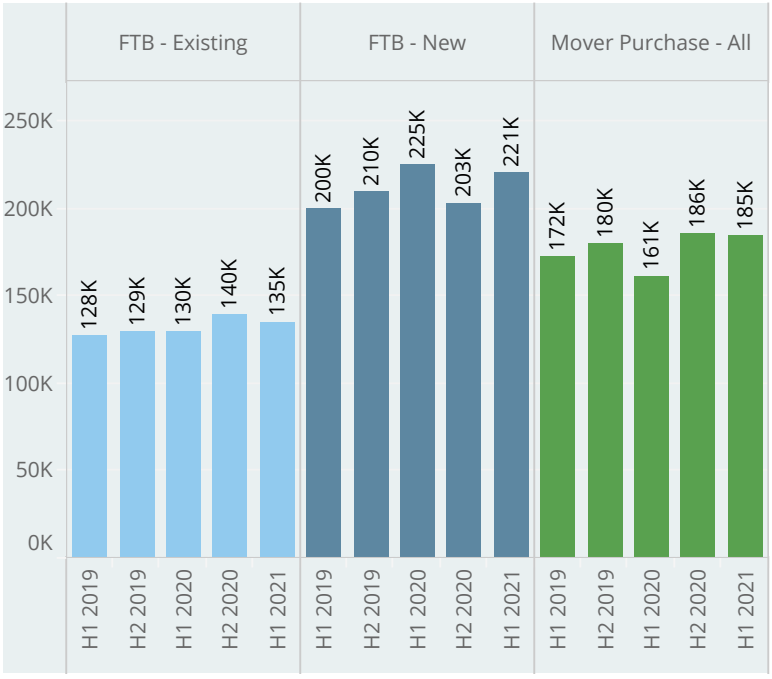
Median Monthly Repayment



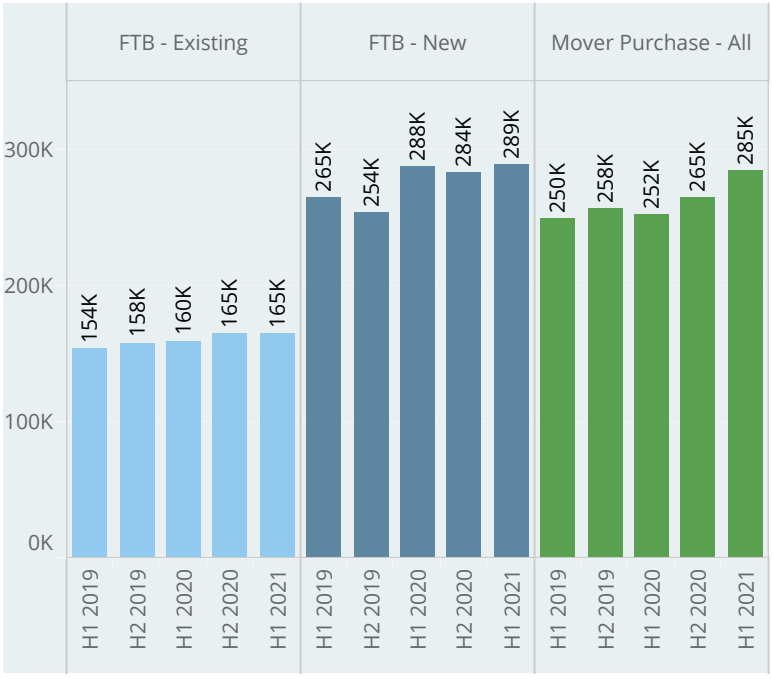
Note: Excluding self-builds

FTB - Existing FTB - New Mover Purchase - All

Median Loan



Median Property Value



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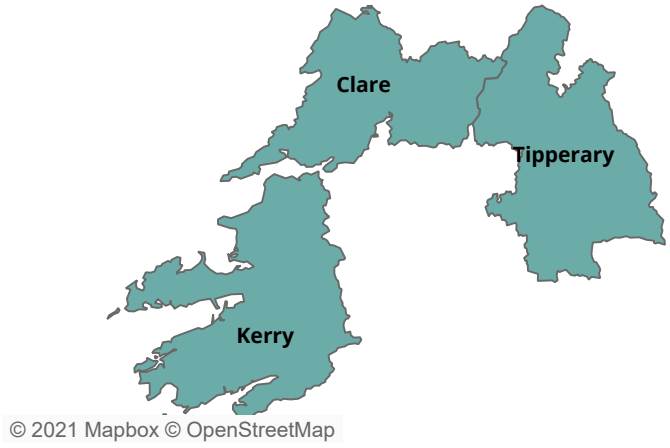
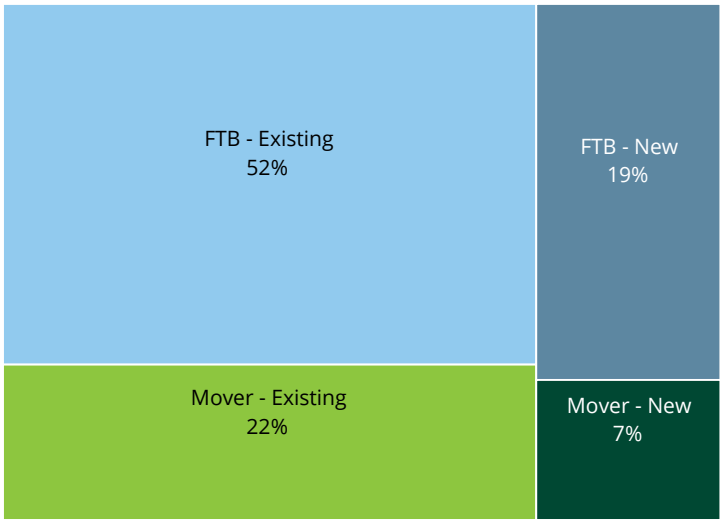
South and Mid West



Customer Type-Property Status Share

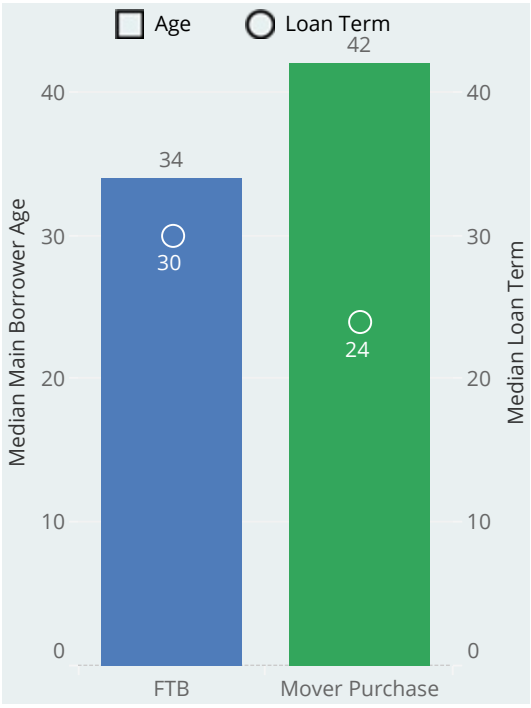


Note: All charts on this page refer to H1 2021.

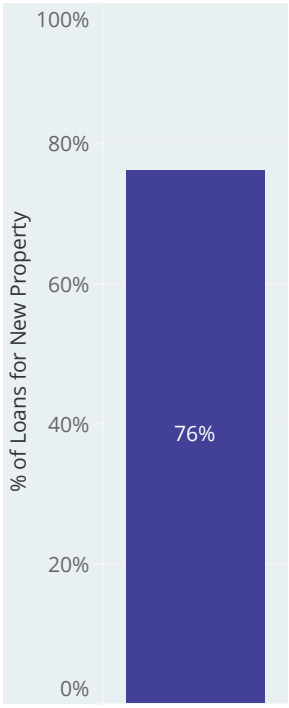
In H1 2021, self-builds accounted for 76% of new properties financed by home mortgages in the South and Mid West region - the highest share in the country. Some 58% FTB mortgages and 78% of mover purchase mortgages were secured on detached houses/bungalows.

The South and Mid West was the only region in which the median property value of new FTB properties was higher than the median value of mover purchase properties.

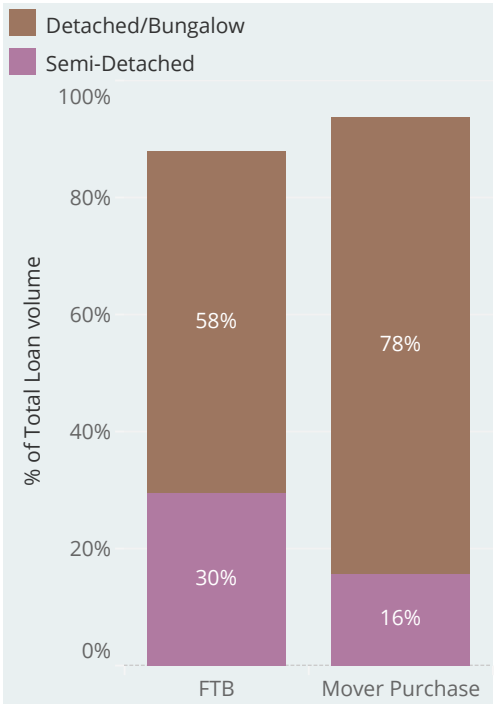
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types



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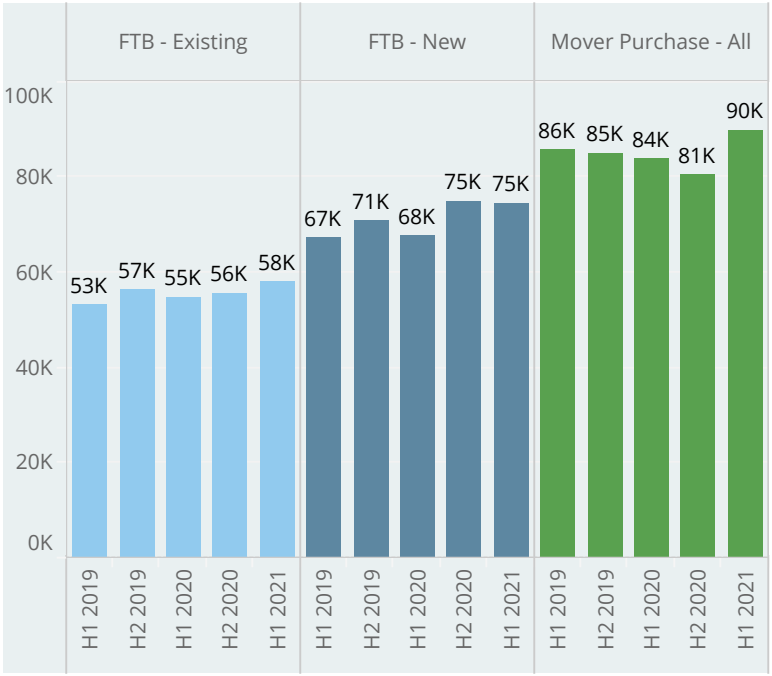
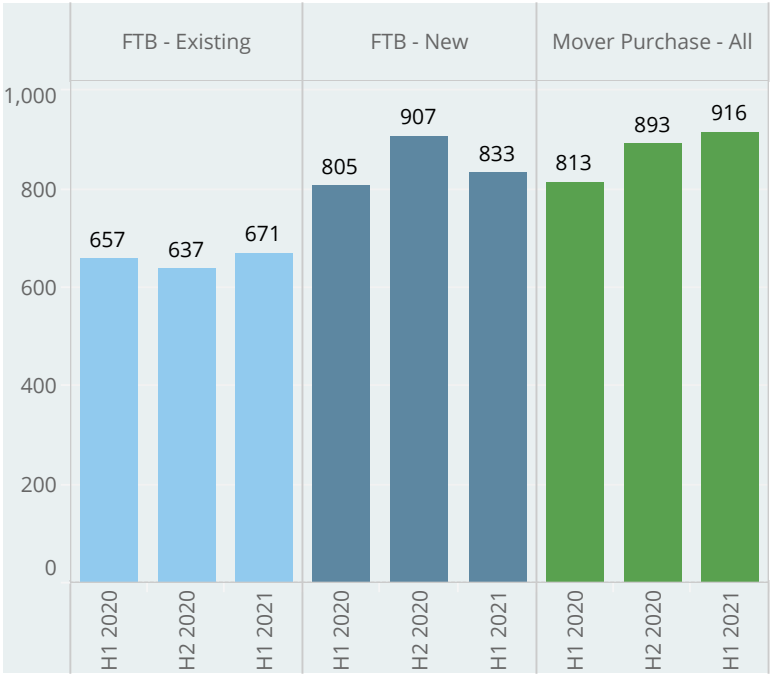
South and Mid West

Median Basic Household Income



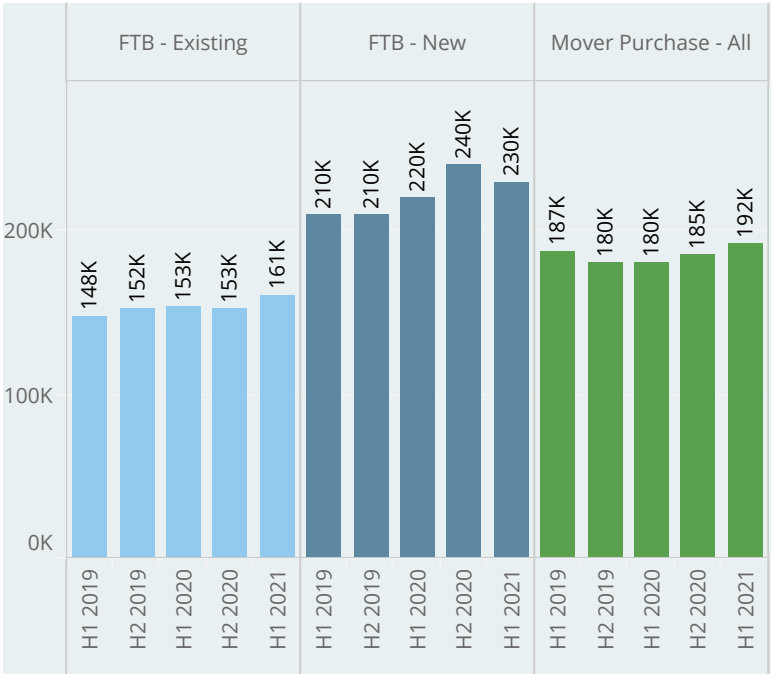
Median Monthly Repayment



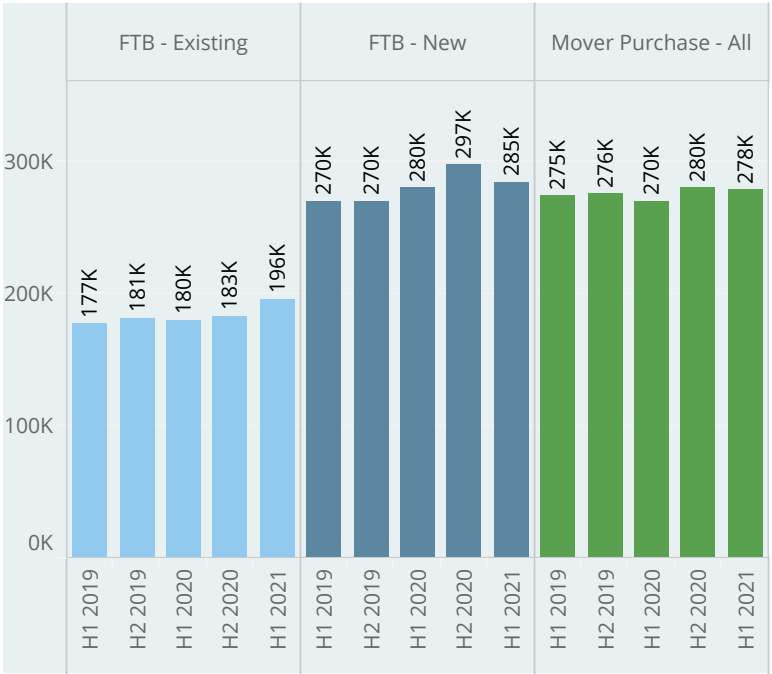
Note: Excluding self-builds

FTB - Existing FTB - New Mover Purchase - All

Median Loan



Median Property Value



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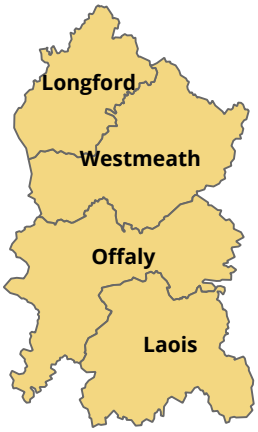
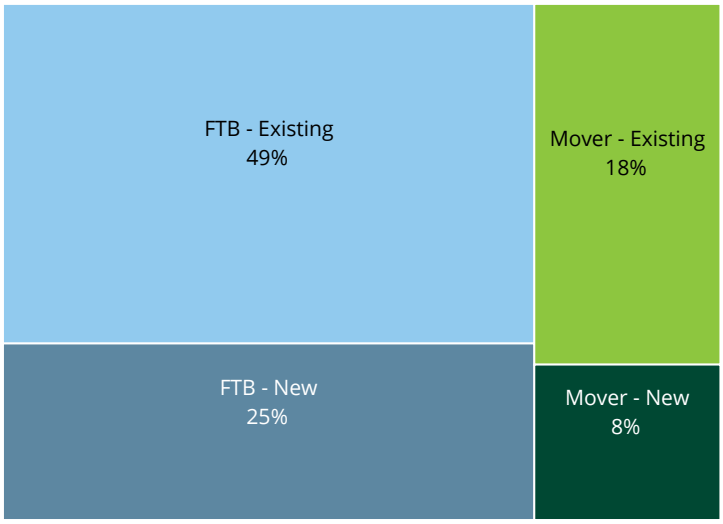
Midlands



© Mapbox © OSM

Customer Type-Property Status Share

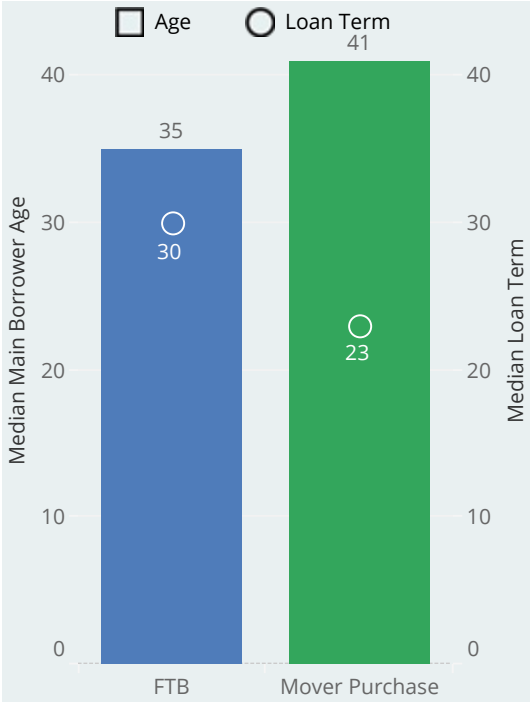


Note: All charts on this page refer to H1 2021.

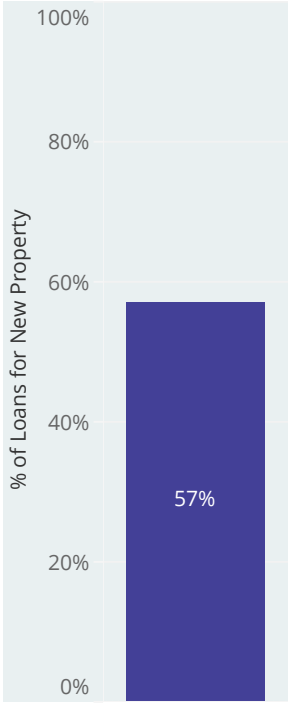
Some 74% of home mortgages in the Midlands region were drawn down by FTBs. Some 75% of mover purchase mortgages were secured on detached houses/bungalows, while 40% of FTB mortgages were secured of semi-detached houses.

Mover purchasers drew down with the shortest median loan terms in the country at 23 years.

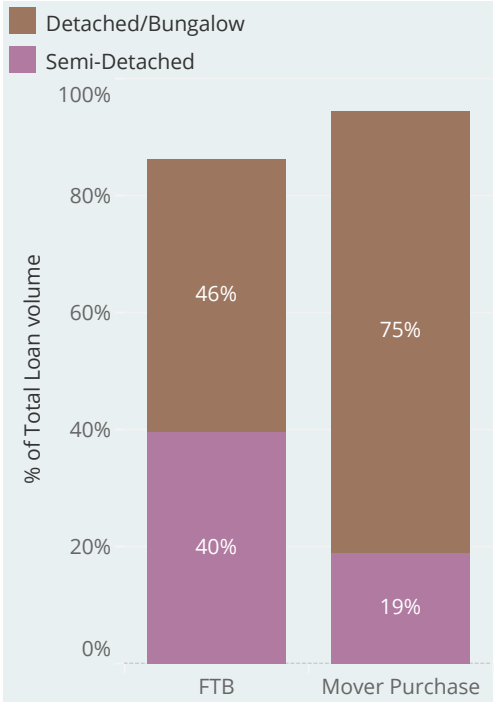
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types



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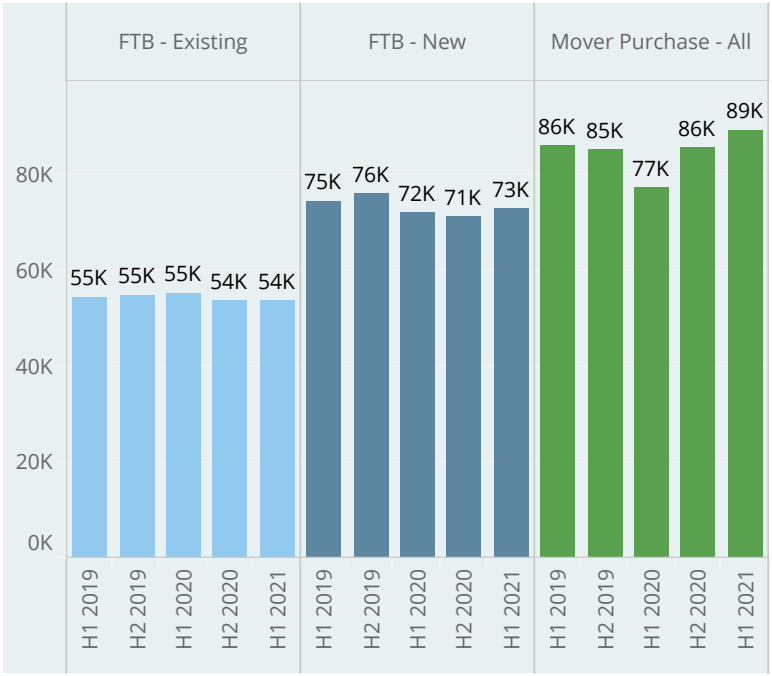
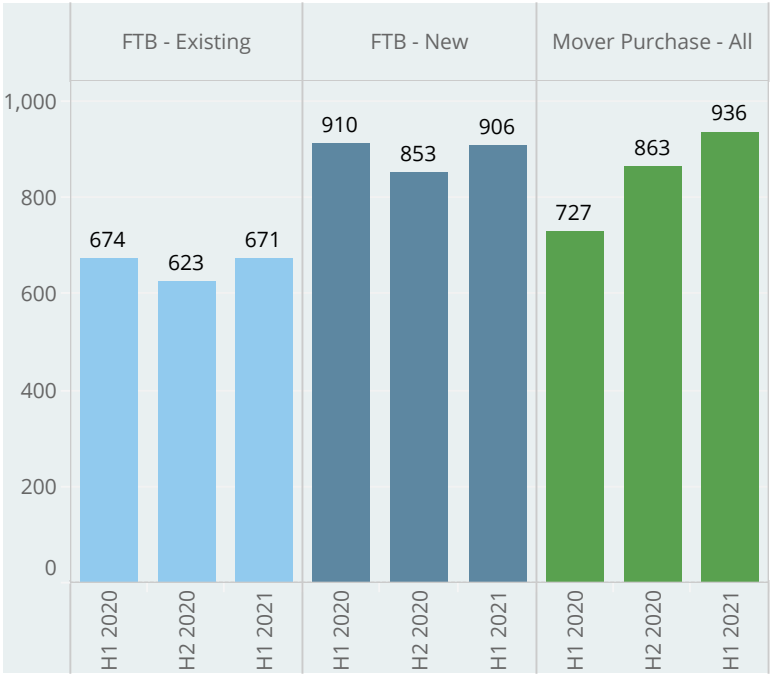
Midlands

Median Basic Household Income



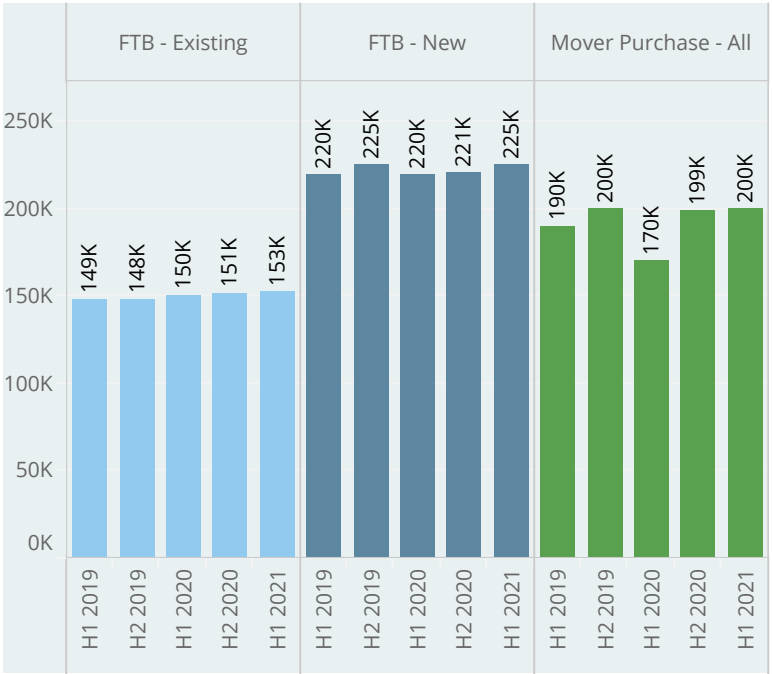
Median Monthly Repayment



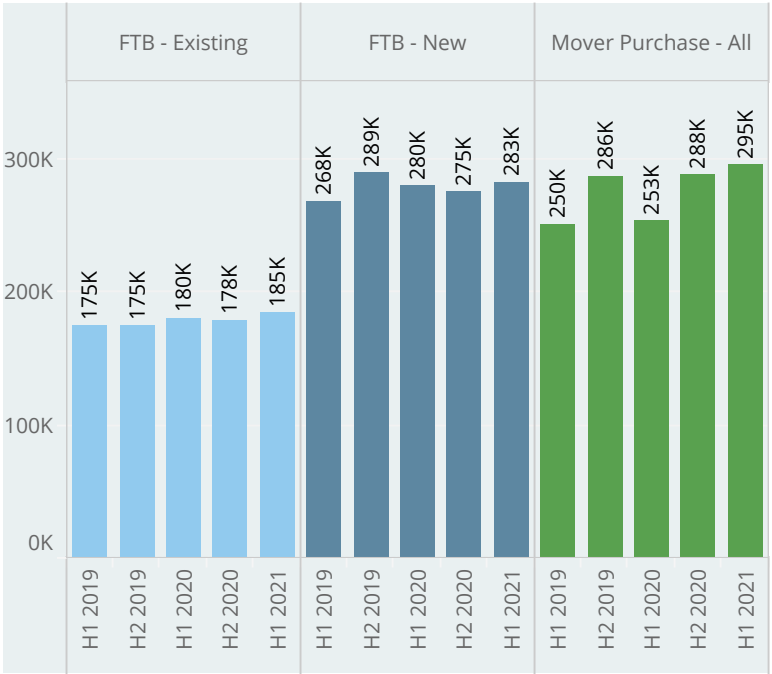
Note: Excluding self-builds

FTB - Existing FTB - New Mover Purchase - All

Median Loan



Median Property Value



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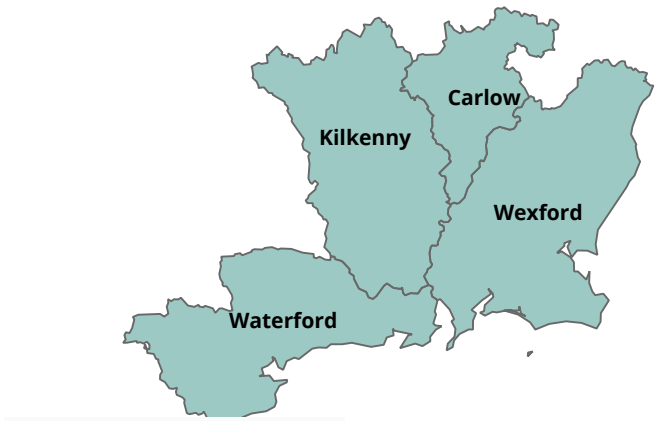
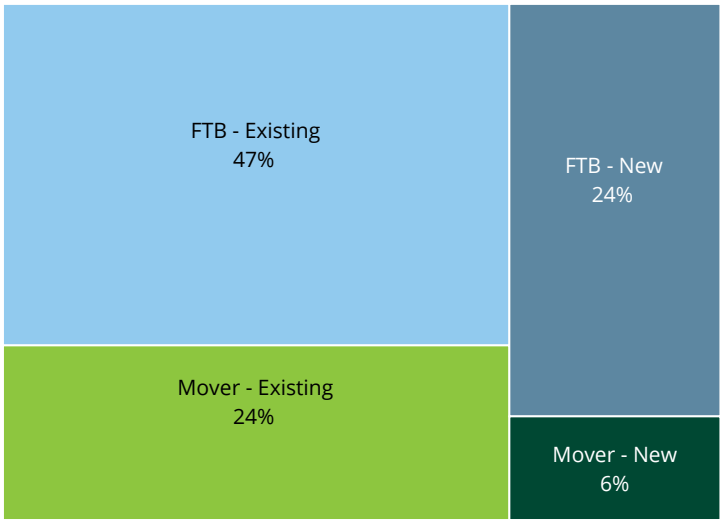
South East



Customer Type-Property Status Share

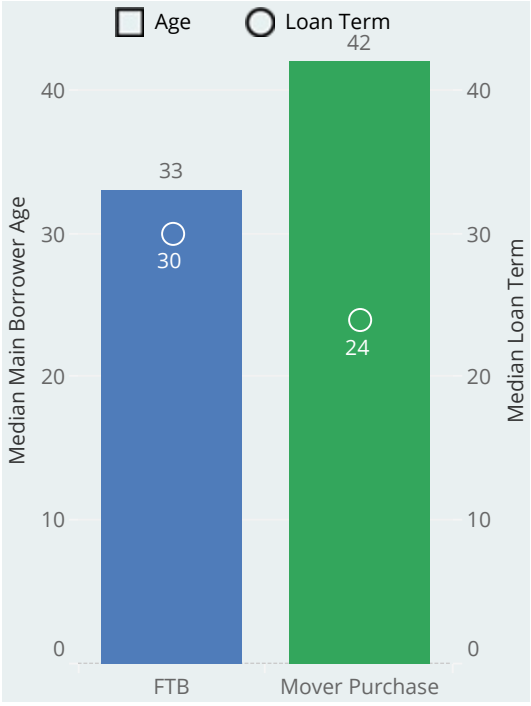


Note: All charts on this page refer to H1 2021.

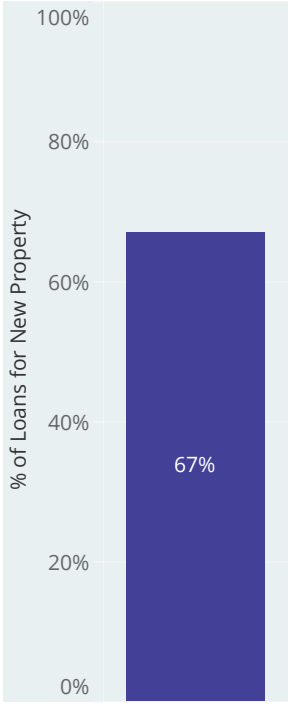
Some 71% of home mortgages were secured on existing properties in the South East region in H1 2021.

More than half of home mortgages finance the purchase of building of detached houses/bungalows (51% for FTBs and 75% for mover purchasers). Some 67% of new properties financed were self-builds.

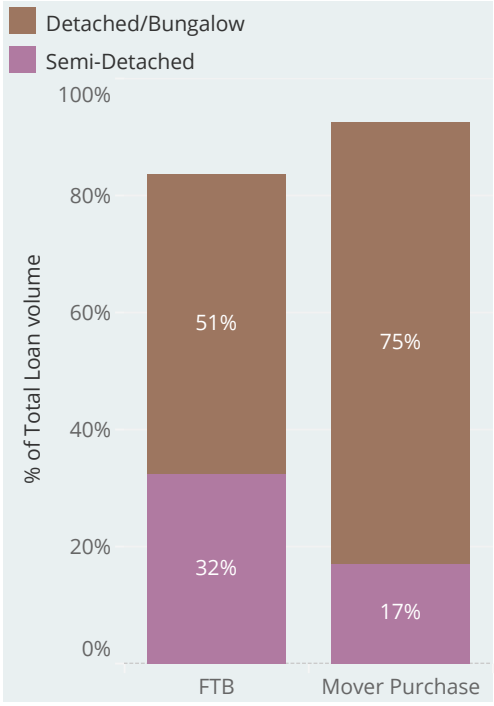
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types



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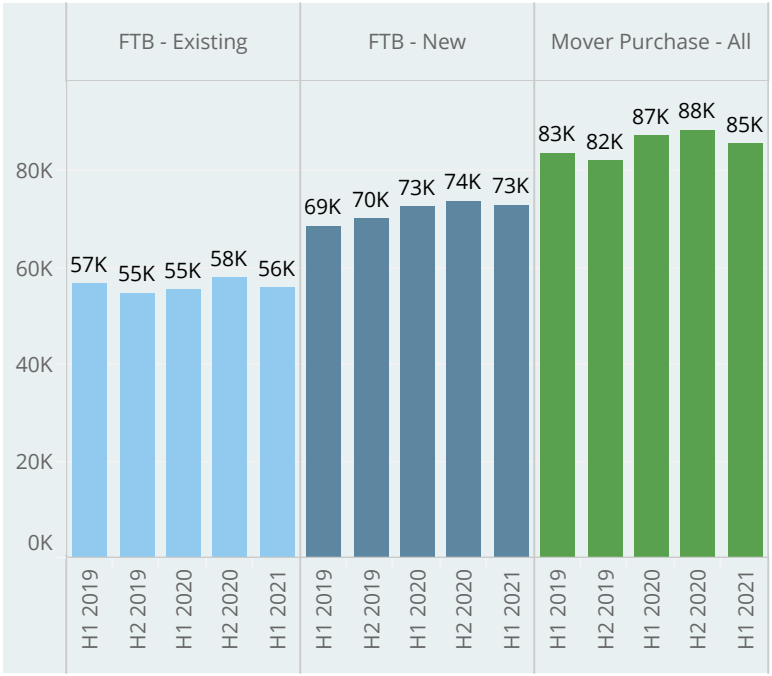
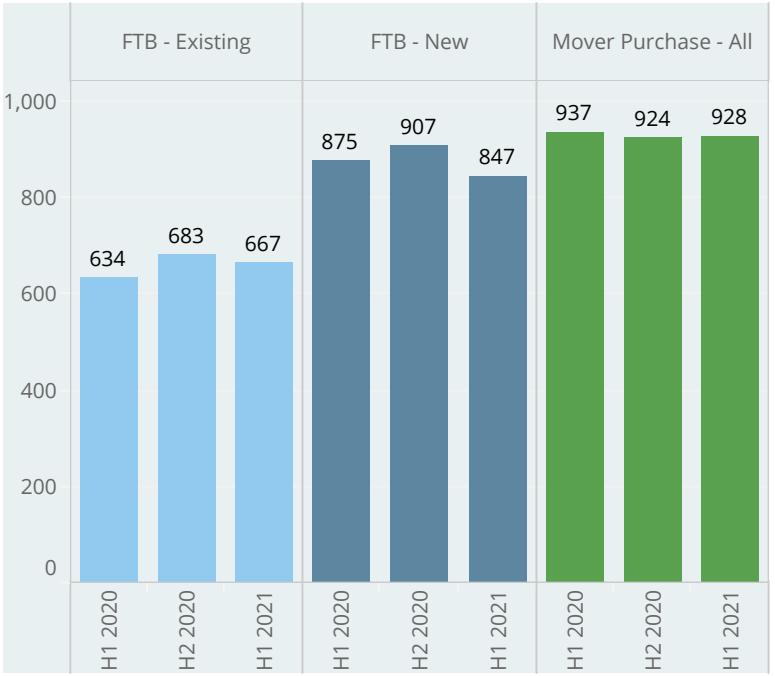
South East

Median Basic Household Income



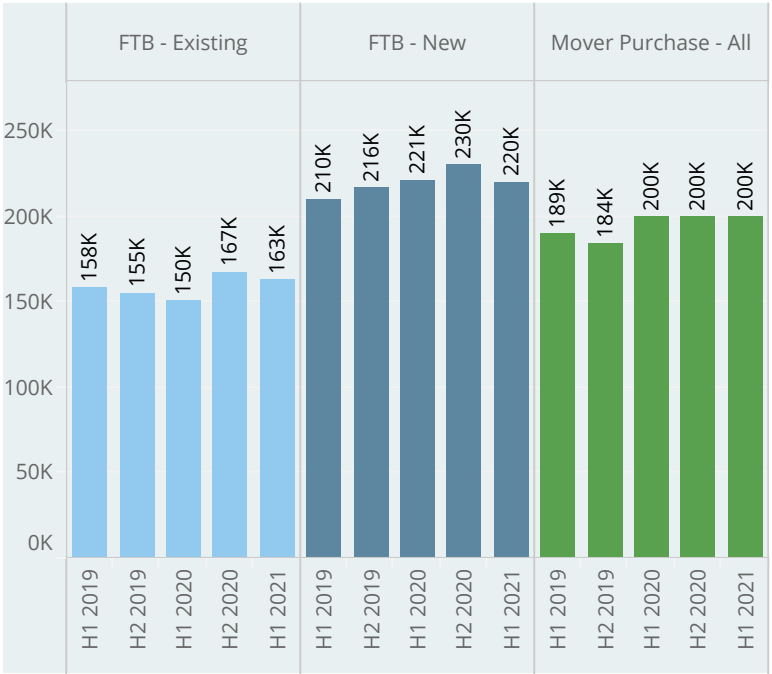
Median Monthly Repayment



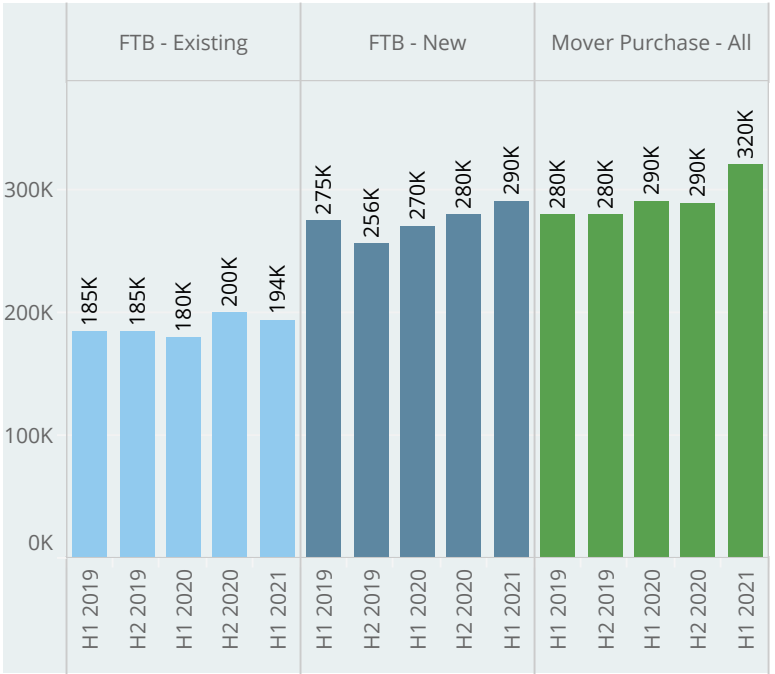
Note: Excluding self-builds

FTB - Existing FTB - New Mover Purchase - All

Median Loan



Median Property Value



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Mortgage Market Profile Report

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About the Data

BPFI's mortgage drawdown data shows the highs and lows in the market since 2003. In this report, we drill down into the data and ask who, what and where:
- who is taking out home loans?
- what types of loans are they taking out and what types of properties are they building or buying?
- where are the properties being financed and how do borrowers, loans and properties differ around the country?

All data in this report is produced by BPFI unless otherwise stated.

BPFI collects anonymised loan-level data from particpating members to enhance our understanding of the mortgage market and to better understand the nature of loans, borrowers and properties financed. BPFI ensures that no individual borrower or property can be identified.

This data complements and aligns with the monthly mortgage approvals and quarterly mortgage drawdowns data published by BPFI. However, this data draws on different data sources so full alignment cannot be guaranteed due to timing and other differences.

The data in this report covers mortgage drawdowns where the customer type has been identified as home buyer or builder and the mortgage financing the property purchase or build is secured on that property.

Customer Type & Property Status

First-time buyers (FTB) purchase - a loan issued for the purchase of residential property which is to be owner-occupied, where none of the borrowers have ever been an owner occupier (or part owner occupier) of a residential property in Ireland or elsewhere, or have previously had a housing loan.

Mover purchase – a loan issued for the purchase of residential property which is to be owner-occupied, where at least one of the borrowers has been an owner occupier (or part owner occupier) of a residential property in Ireland or elsewhere, or has previously had a housing loan.

New property - a newly built property that has not previously been inhabited.

Existing property - a property that has previously been inhabited.

Participating members

Eight member groups currently provide data:
AIB Group (AIB, EBS, Haven Mortgages);
Avant Money;
Bank of Ireland;
Dilosk/ICS Mortgages;
Finance Ireland;
permanent tsb;
KBC Bank Ireland;
Ulster Bank

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About the Data

Data Definitions

Main borrower age - the age at drawdown of the borrower or main borrower where there is more than one borrower. The main borrower is identified through a combination of borrower income and the order in which the borrower is reported.

Loan term - the length of time in years over which the mortgage has to be repaid.
Self-build proportion - the share of loans secured on new-build homes where the loans are provided for the purpose of financing the building of a new home by the borrower rather than the purchase of a newly built home from a developer/contractor.

Main dwelling types - the type of property on which the mortgage is secured. These may be apartments, terraced houses, semi-detached houses or detached houses/bungalows.

Basic household income - the sum of gross basic annual income (income from the brorower's main occupation before income-related taxes, charges or benefits) for all borrowers. This excludes rental income as well as additional income from the borrower's occupation such as bonuses.

Monthly repayment - the monthly repayment amount (including principal, interest and fees, where applicable) at drawdown and based on the value of drawn balances. Repayments may subsequently increase if further undrawn balances are drawn down. This data is only available from H1 2020.

Loan Value - the total value of the loan at drawdown whether or not the loan is drawn down in full at that time.

Property Value - the valuation of the property on which the mortgage is secured. For data before 2020, the property purchase price is used.

About BPFI

Banking & Payments Federation Ireland (BPFI) is the voice of banking and payments in Ireland. Representing over 100 domestic and international member institutions, we mobilise the sector's collective resources and insights to deliver value and benefit to members, enabling them to build competitive sustainable businesses which support customers, the economy and society.

Disclaimer

This report is based on statistical information supplied to BPFI by the mortgage lending institutions listed herein. While every effort has been made to ensure the accuracy of information included in this report, BPFI can accept no responsibility for errors contained herein. This report is not to be reproduced in whole or in part without prior permission. Figures may not sum due to rounding. The full data series will be maintained on the BPFI website (www.bpfi.ie).

For queries, contact Anthony O'Brien, Head of Sector Research & Analysis, BPFI at anthony.obrien@bpfi.ie.

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