



Banking & Payments
Federation Ireland

Mortgage Market Profile Report

H2 2022





Mortgage Market Profile Report

Commentary

Anthony O'Brien, Head of Sector Research & Analysis

The mortgage market continued to grow strongly in H2 2022 with drawdown volumes up by 24% year on year to 30,739, the most since 2008. The increase was mainly driven by 153% jump in switching as mortgage customers responded to the European Central Bank's interest rate increases from July 2022.

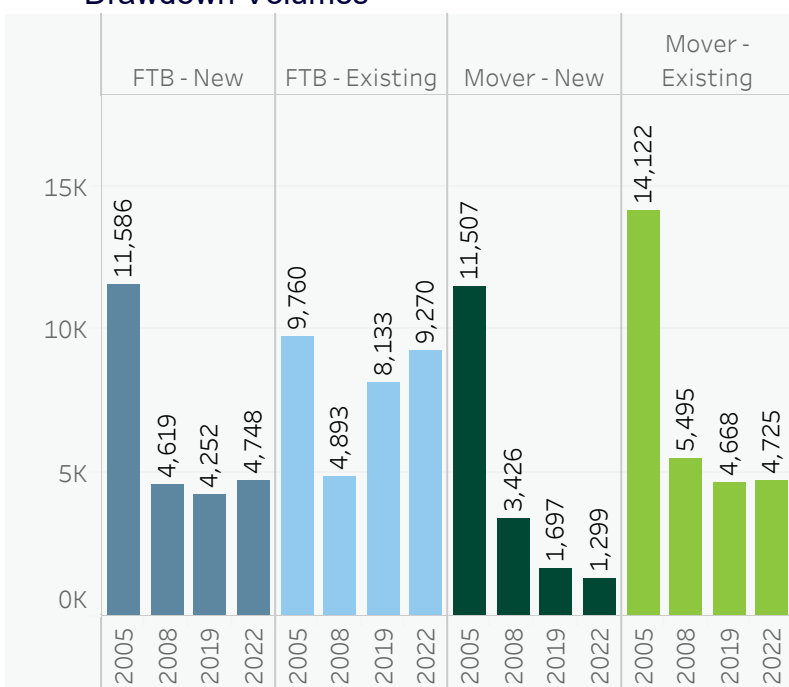
First-time buyers (FTBs) still led the way with 14,018 drawdowns, the highest semi-annual volumes since H2 2007, when there were 14,667 drawdowns.

This analysis mainly looks at how the market for home mortgages, which includes FTBs and mover purchase (mover), has changed since before the Covid-19 pandemic and the previous market peaks: 2005, when lending activity peaked; and 2008, when the average drawdown peaked.

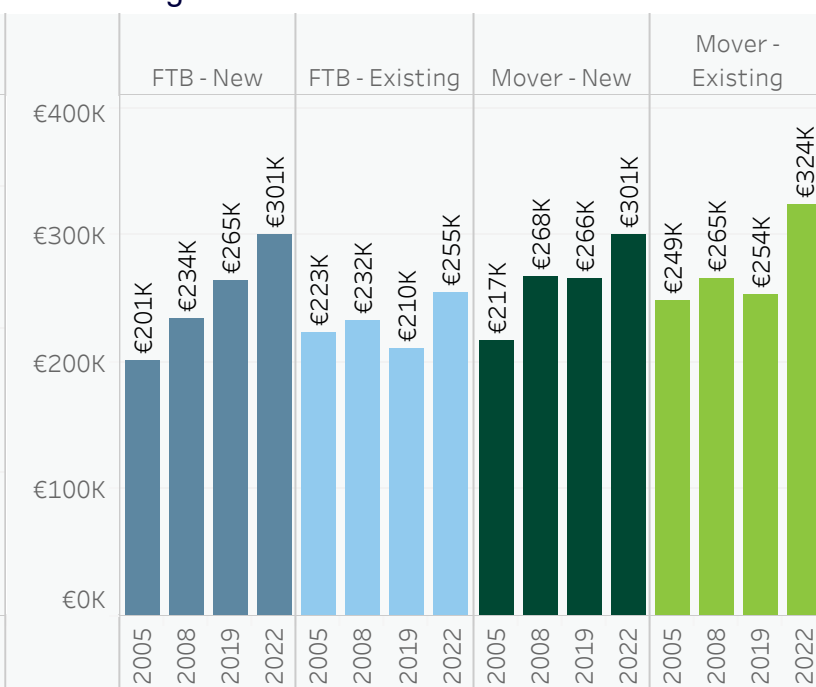
Activity in most home mortgage segments had exceeded H2 2019 levels by H2 2022, with the exception of movers buying or building new properties (Mover New) where activity levels were significantly down. The volume of FTB loans on existing properties (FTB Existing) reached the highest semi-annual level since H2 2005 at 9,270. In addition, the average drawdown reached the highest semi-annual level in all segments.

Increasing drawdown values reflect the sharp rise in residential property prices from the middle of 2021, with the Central Statistics Office reporting a 22% increase in residential property prices between 2019 and 2022. Similarly, the median FTB Existing drawdown rose by 20.8% between H2 2019 and H2 2022 to €290,000, while the median FTB New drawdown rose by 15.4% to €375,000.

Drawdown Volumes



Average Drawdown Values



Note: Home (FTB and mover) mortgages (H2 only)

Source: BPFI



Mortgage Market Profile Report

Commentary

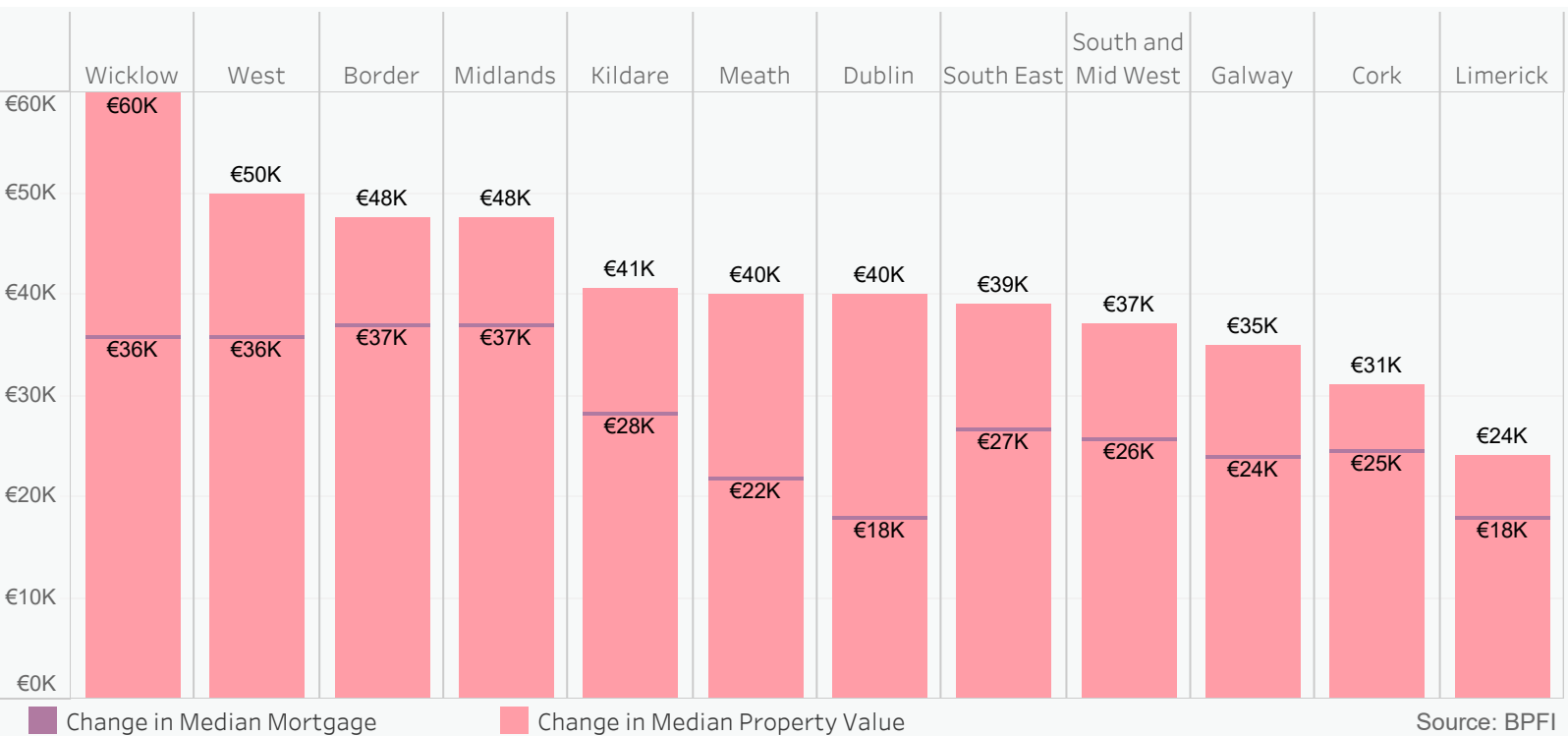
Cork and Kildare trail Dublin in the mortgage market

From a regional perspective, Dublin had by far the largest share of FTB Existing (33.8%) and total mover (35.3%) activity in 2022. However, Dublin's share of FTB New mortgages was relatively low at 20.6%.

Kildare was the second largest market for FTB new mortgages with 13.1%, up from 11.5% in 2020. Cork was the second biggest market for FTB Existing and mover mortgages with 10.3% and 11%, respectively, in 2022. Cork's share of FTB New mortgages fell from 13.4% in 2020 to 12.9% in 2022.

Meath's share of FTB New mortgages fell from 10.6% in 2020 to 9.4% in 2022, while growth in Louth drove the Border region's share to 9.3% from 7.6% two years earlier.

Change in Median FTB Property Value/Mortgage by Region, excl Self-Builds (2020-22)



The median value of properties purchased by FTBs (excluding self-builds) rose by €35,000 between 2020 and 2022 to €320,000 while the median mortgage increased by only €24,000 to €254,000.

The median FTB mortgage value in 2022 was €315,000 in both Dublin and Wicklow, while Dublin's median FTB property value was only €5,000 higher than Wicklow's at €400,000.

Wicklow's median property value rose by €60,000 between 2020 and 2022 while its median mortgage value increased by €36,000. In Dublin, the median property value was €40,000 higher in 2022 than in 2020 but the median mortgage value only increased by €18,000, with Limerick, the joint smallest increase of any region.



Mortgage Market Profile Report

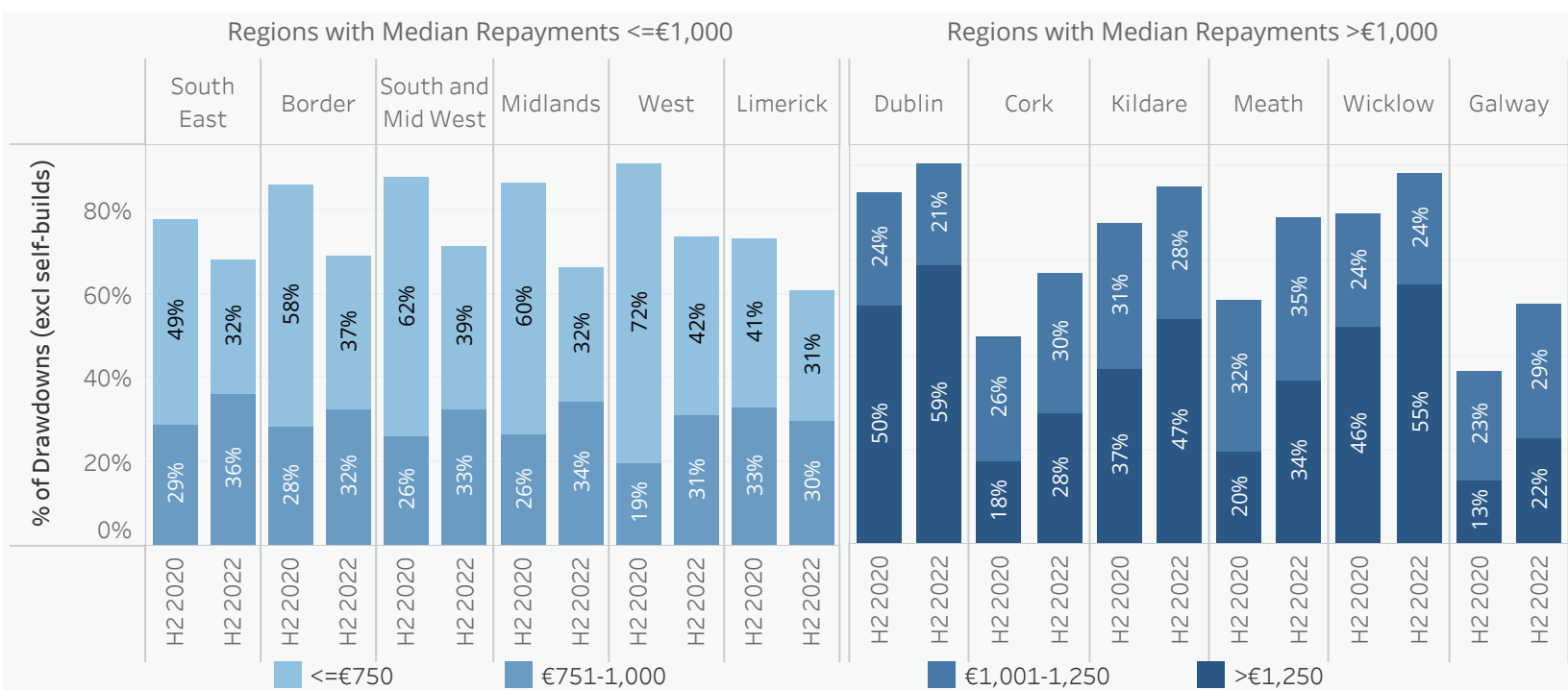
Commentary

FTB repayments rise but vary significantly by region

The median monthly mortgage repayment (excluding self-builds) rose by more than €100 for FTBs between H2 2020 and H2 2022 to €1,089 and by about €140 to €1,406 for mover purchasers over the same period, reflecting higher housing prices and larger loans. While the European Central Bank began increasing its base interest rates in July 2022, these figures do not yet show the full impact on rates paid by new borrowers.

The share of FTB mortgages with repayments of up to €750 fell from 33% in H1 2020 to 18% by H2 2022. Conversely, the share of FTB mortgages with repayments over €1,250 jumped from 22% in H1 2020 to 35% in H2 2022.

FTB Monthly Repayments excl. Self-builds by Region



Source: BPF

Six mainly urban counties have median FTB repayments over €1,000. In each of these counties, the proportion of drawdowns with repayments over €1,000 increased sharply between H2 2020 and H2 2022.

The share of mortgages with repayments over €1,250 jumped by 14 percentage points to 34% in Meath, by 10 percentage points to 47% in Kildare and by 10 percentage points to 28% in Cork.

In the rest of the country, more than half of FTB mortgages had repayments of up to €1,000 but that share had fallen since H2 2020.

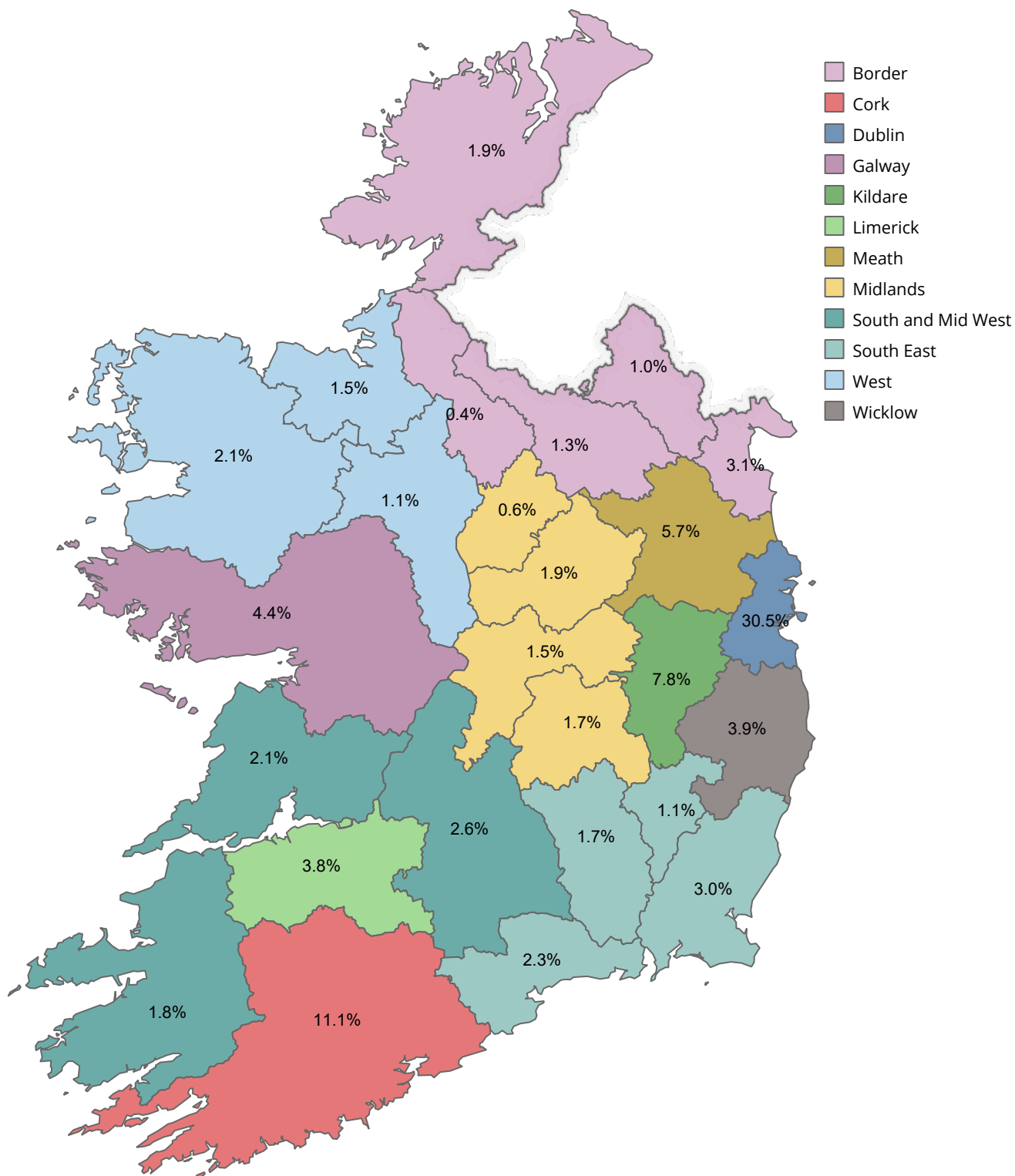
The largest change was in the West, where the proportion of mortgages with repayments up to €750 fell from 72% in H2 2020 to 42% two years later. Similarly, 32% of mortgages in the Midlands had repayments up to €750 in H2 2022, down from 60% two years earlier.



Mortgage Market Profile Report

National Overview

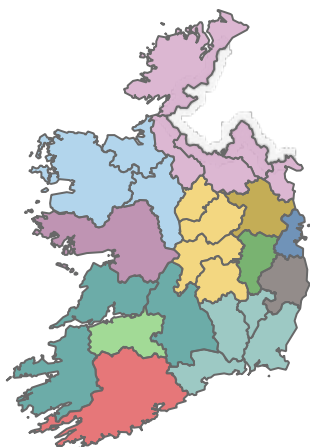
Share of Lending Volume by County (12 months ending December 2022)





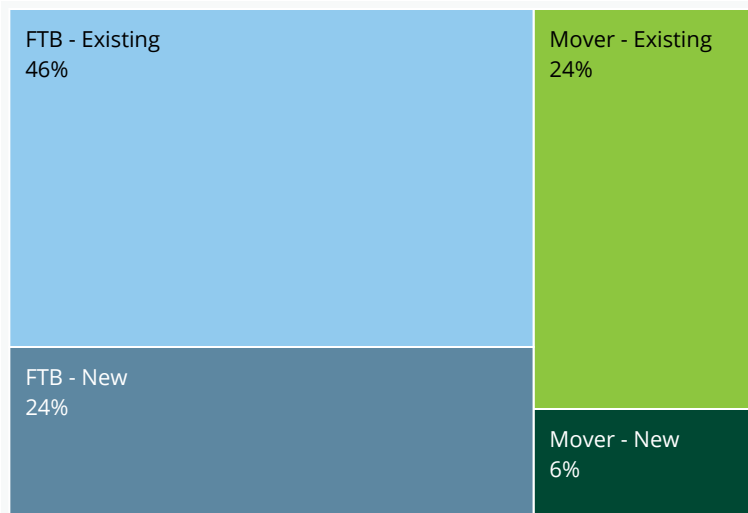
Mortgage Market Profile Report

National



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Customer Type-Property Status Share

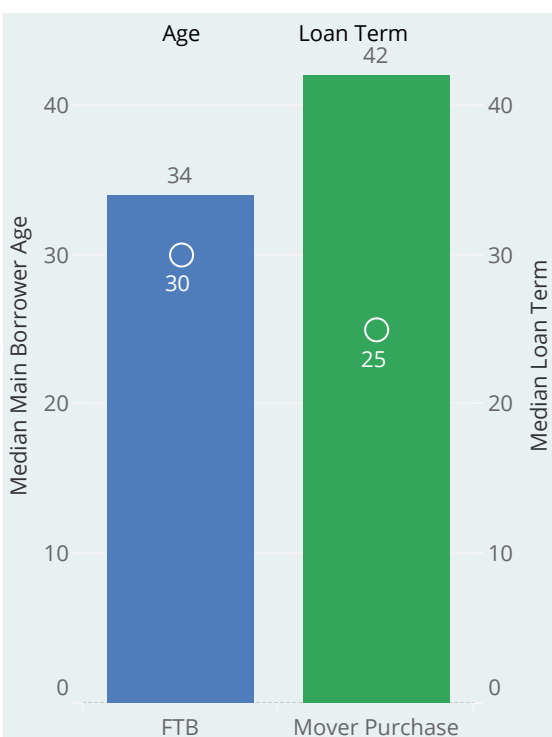


Note: All charts on this page refer to H2 2022.

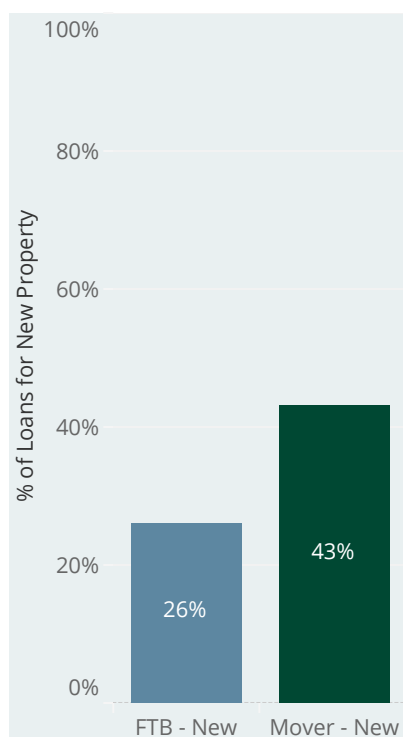
About 41% of FTB mortgages were for semi-detached houses while almost half (49%) of mover purchase mortgages were for detached houses or bungalows.

The median repayment for FTBs buying existing homes, which accounted for 46% of the market, increased by 8.3% year on year to €1,000 in H2 2022. The median basic household income for those mortgages rose by 6.7% over the same period to almost €74,000.

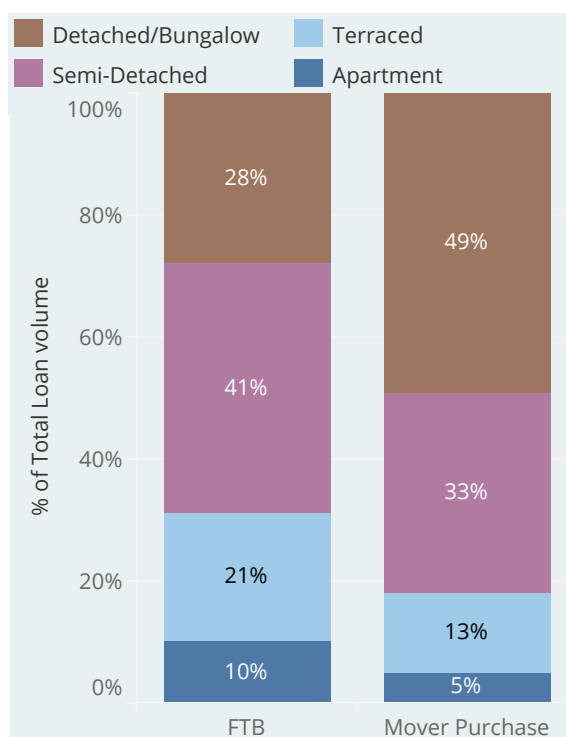
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types

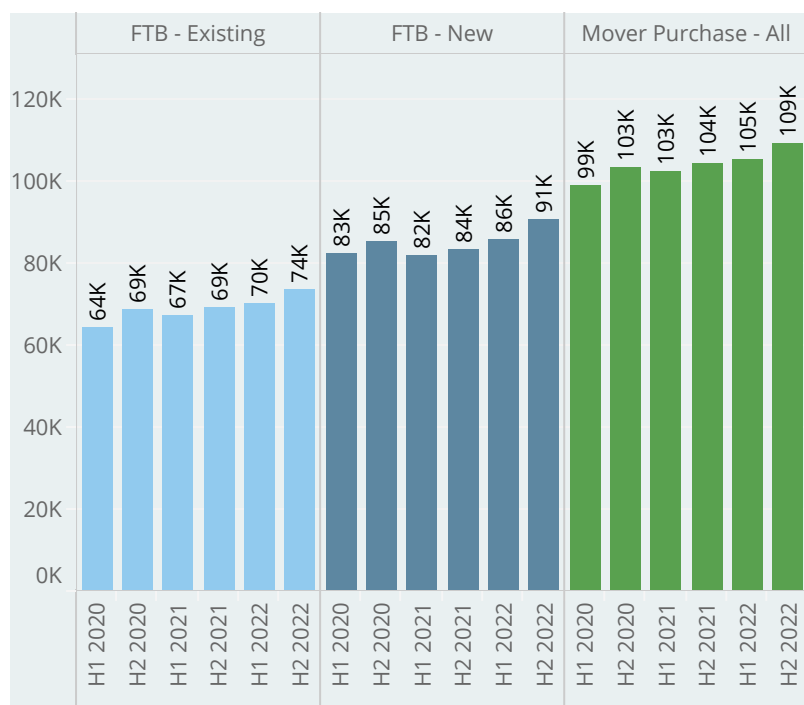




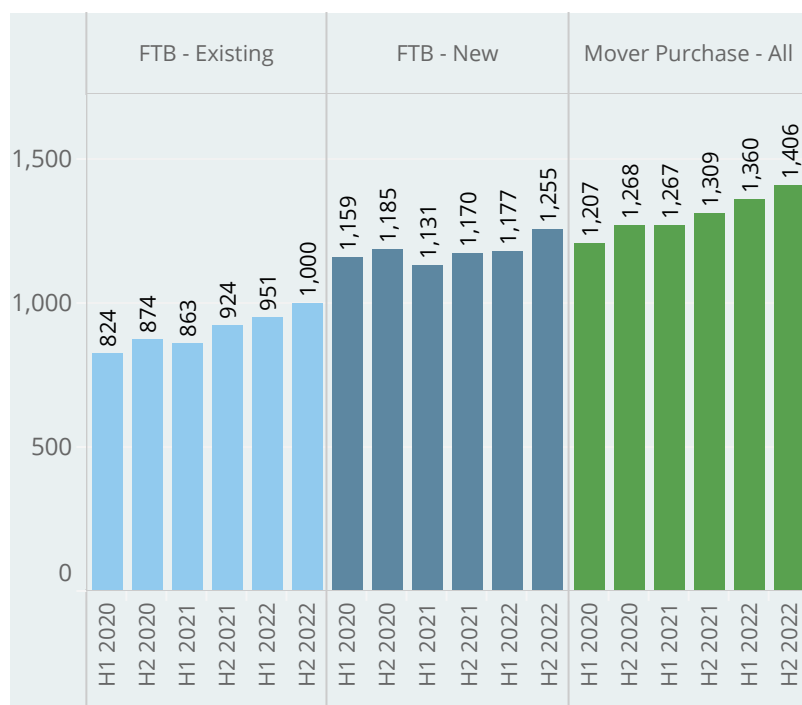
Mortgage Market Profile Report

National

Median Basic Household Income



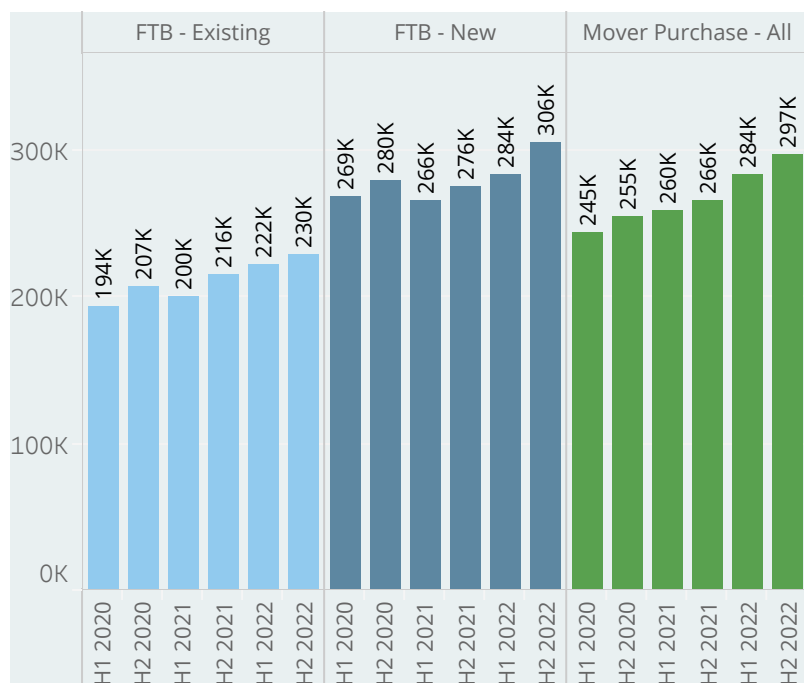
Median Monthly Repayment



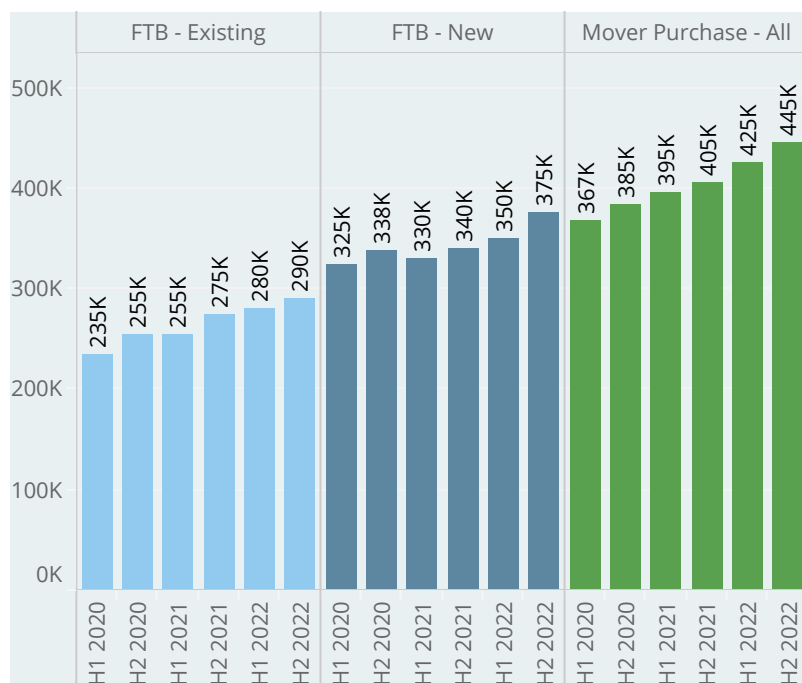
Note: Excluding self-builds

■ FTB - Existing ■ FTB - New ■ Mover Purchase - All

Median Loan



Median Property Value





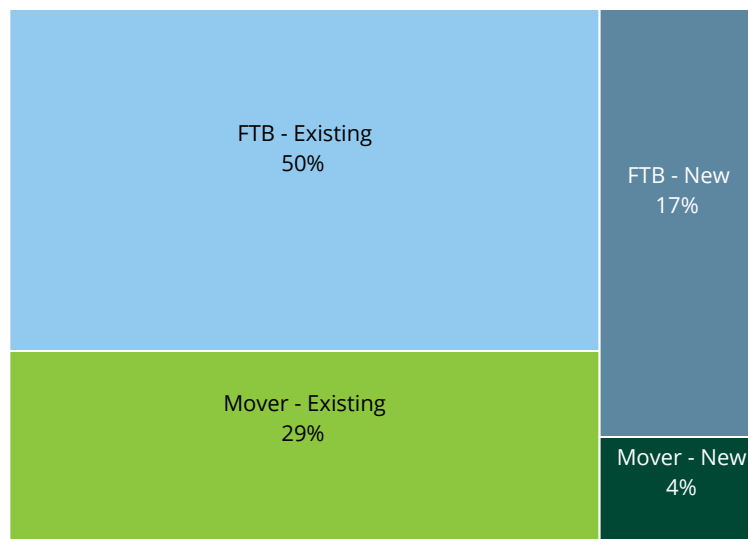
Mortgage Market Profile Report

Dublin



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Customer Type-Property Status Share

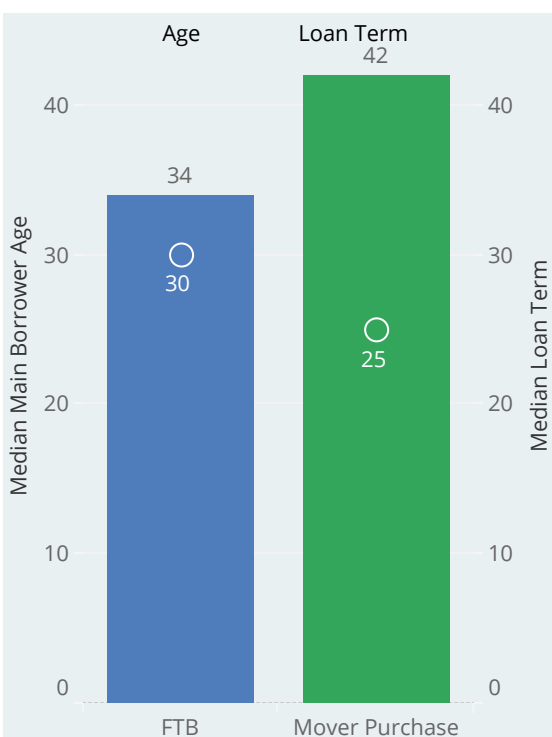


Note: All charts on this page refer to H2 2022.

Only 21% of mortgages in Dublin were for new properties in H2 2022, the lowest share of any region, but up from 18% a year earlier. Apartments and terraced houses accounted for 21% and 26%, respectively, of FTB mortgages in Dublin.

Dublin had the highest median monthly repayments (excluding self-builds) in all segments. The median mover purchase repayment was €200 higher than in any other region at €1,828.

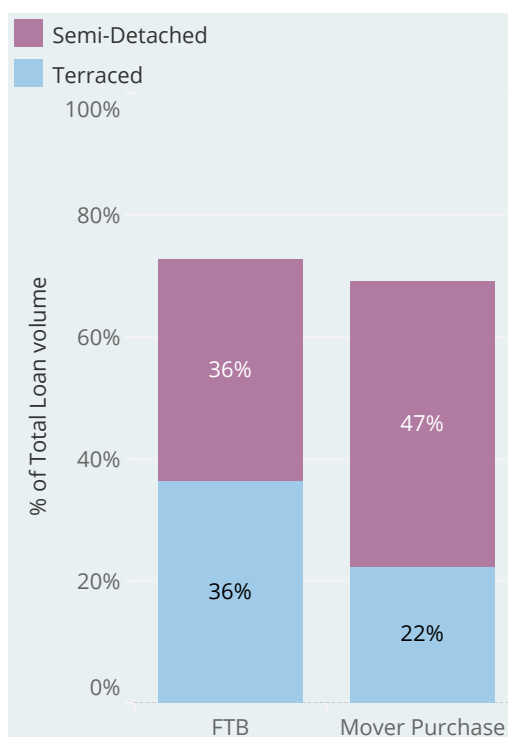
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types

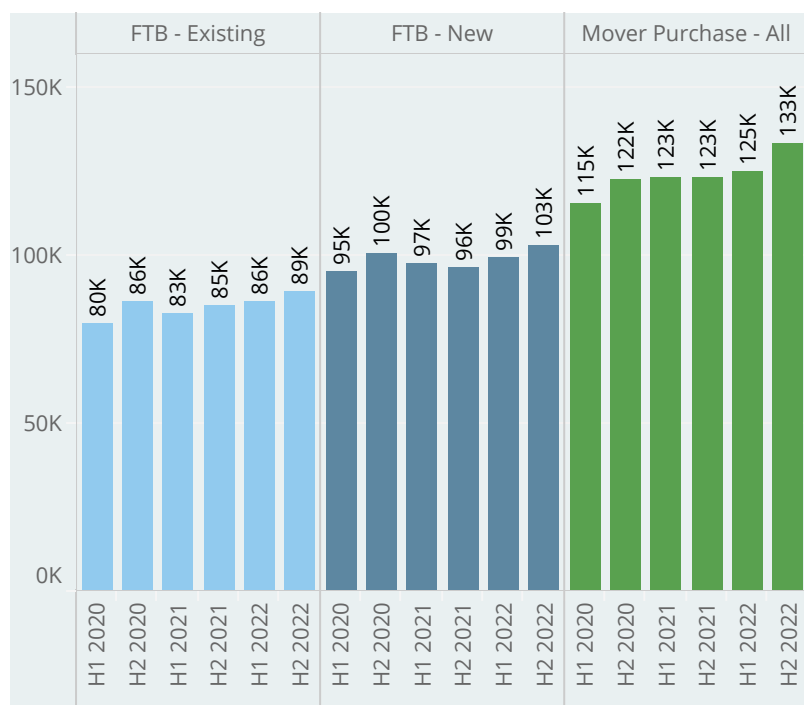




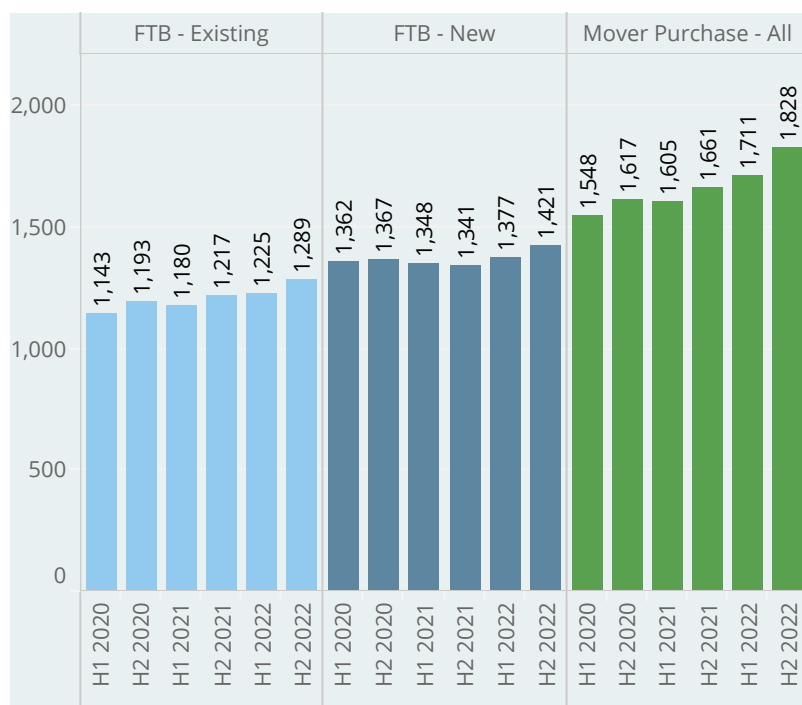
Mortgage Market Profile Report

Dublin

Median Basic Household Income



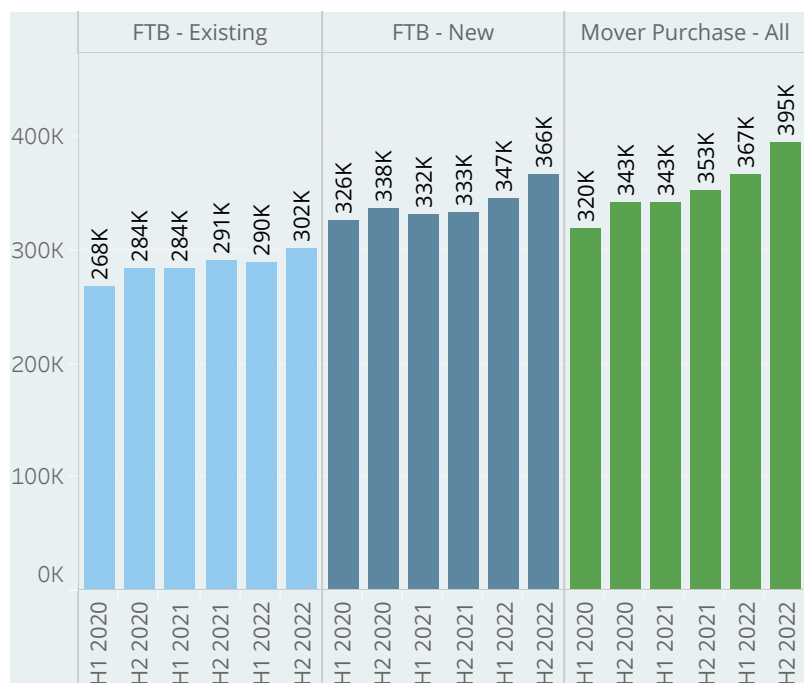
Median Monthly Repayment



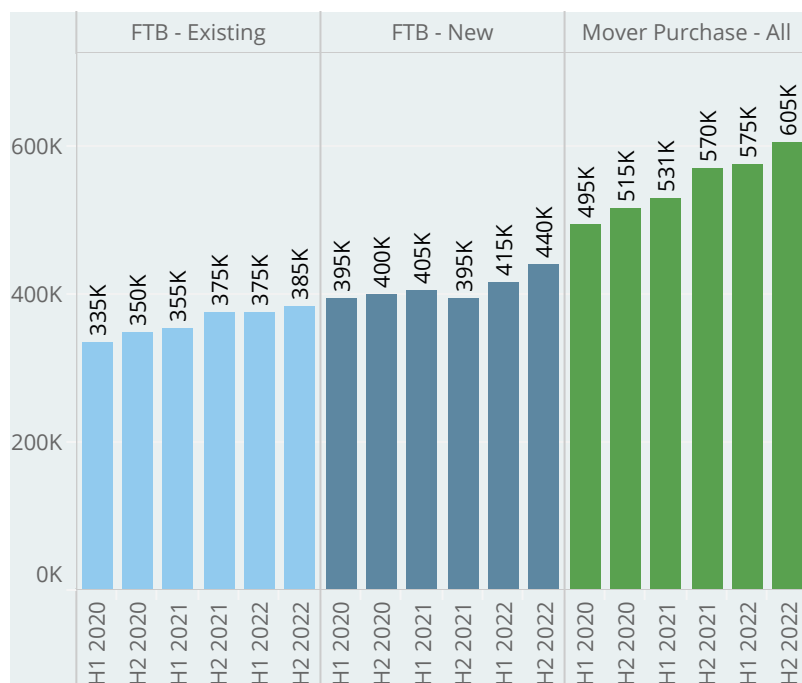
Note: Excluding self-builds

FTB - Existing FTB - New Mover Purchase - All

Median Loan



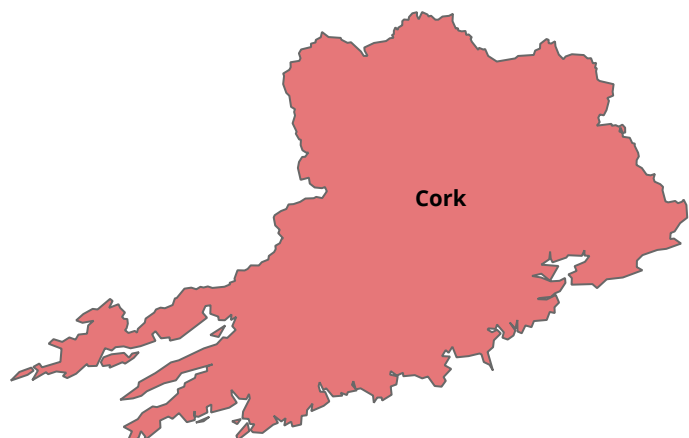
Median Property Value





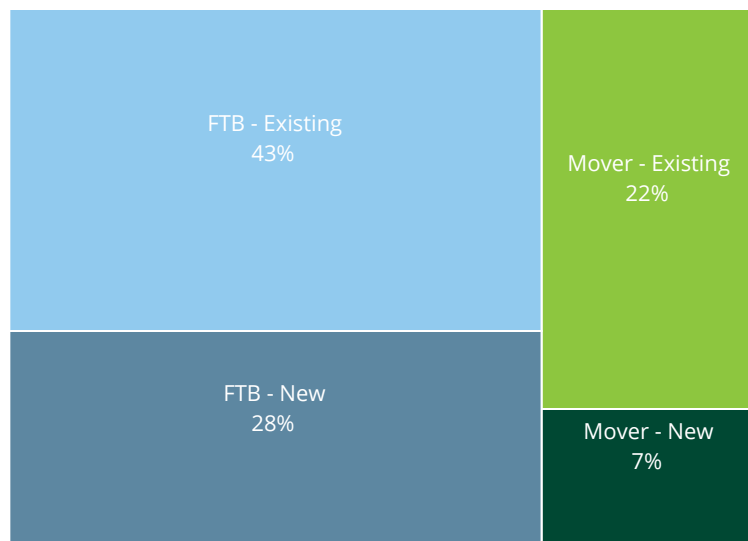
Mortgage Market Profile Report

Cork



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Customer Type-Property Status Share

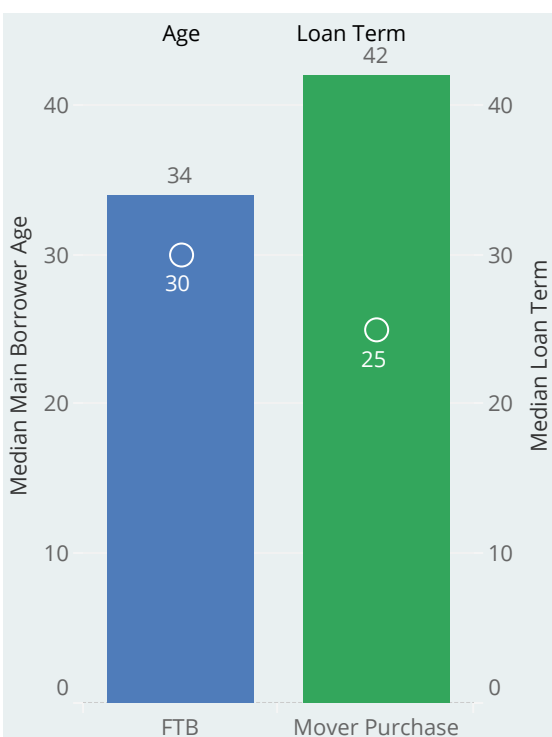


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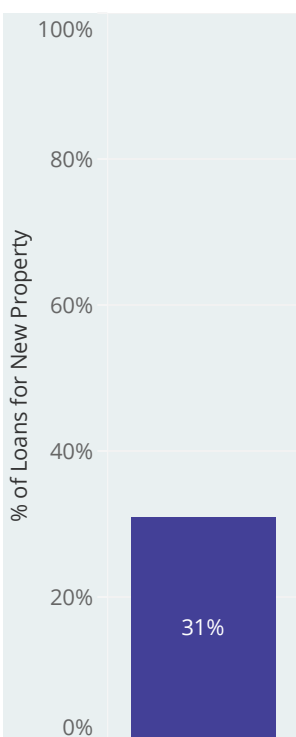
Cork had the second highest share of FTBs buying existing properties and of mover purchasers, as well as the third highest share of FTBs buying new properties behind Dublin and Kildare.

Cork had the second highest share of buyers purchasing terraced homes for both FTBs and mover purchasers at 20% and 12% respectively.

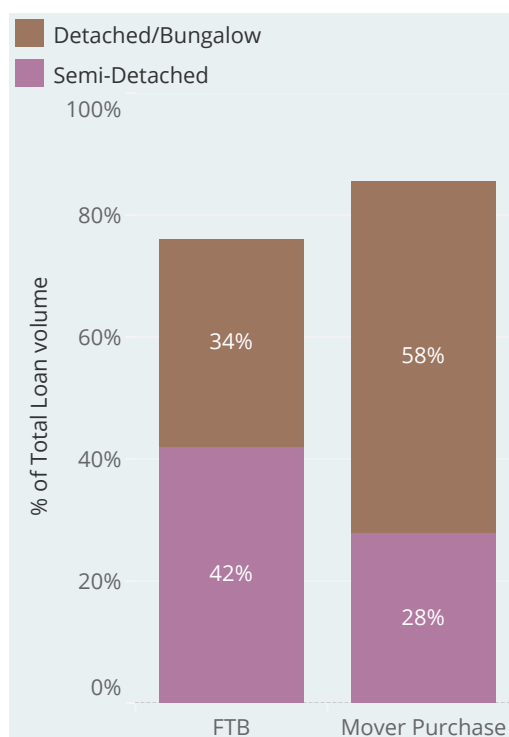
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types

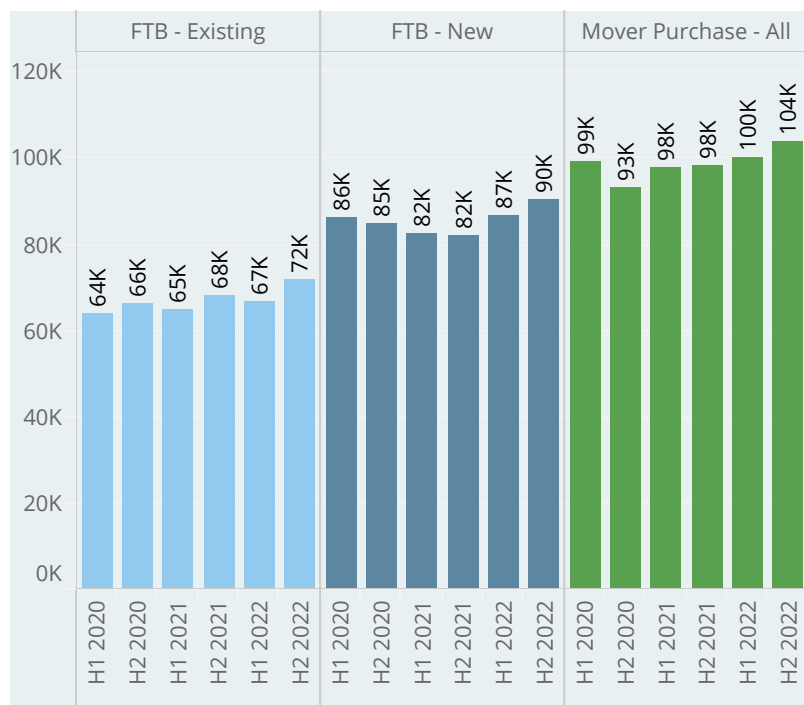




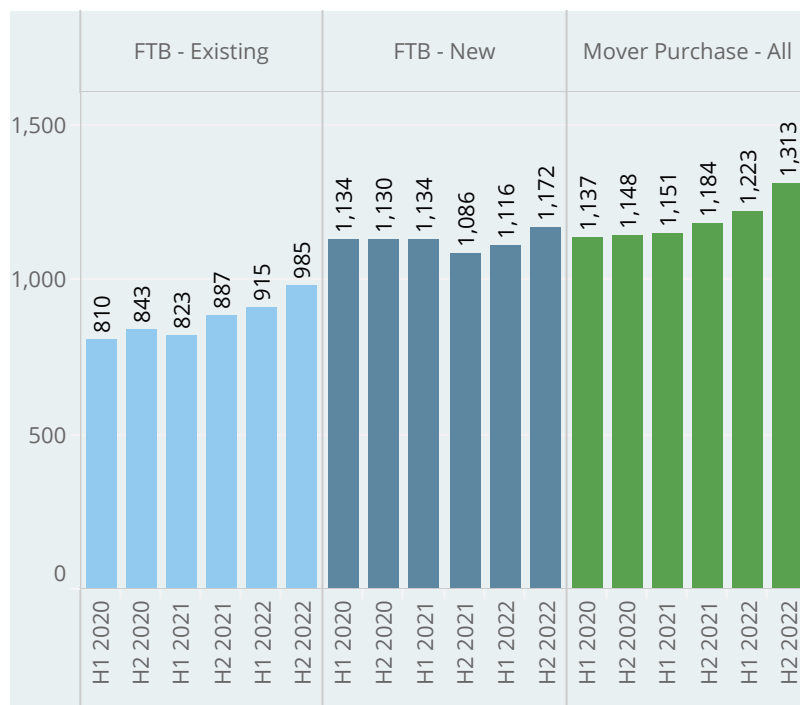
Mortgage Market Profile Report

Cork

Median Basic Household Income



Median Monthly Repayment



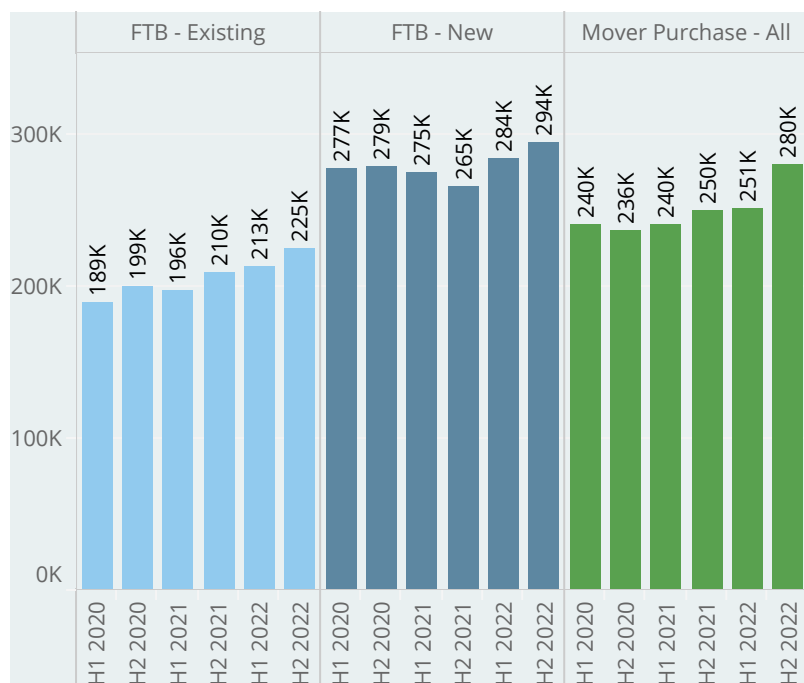
Note: Excluding self-builds

FTB - Existing

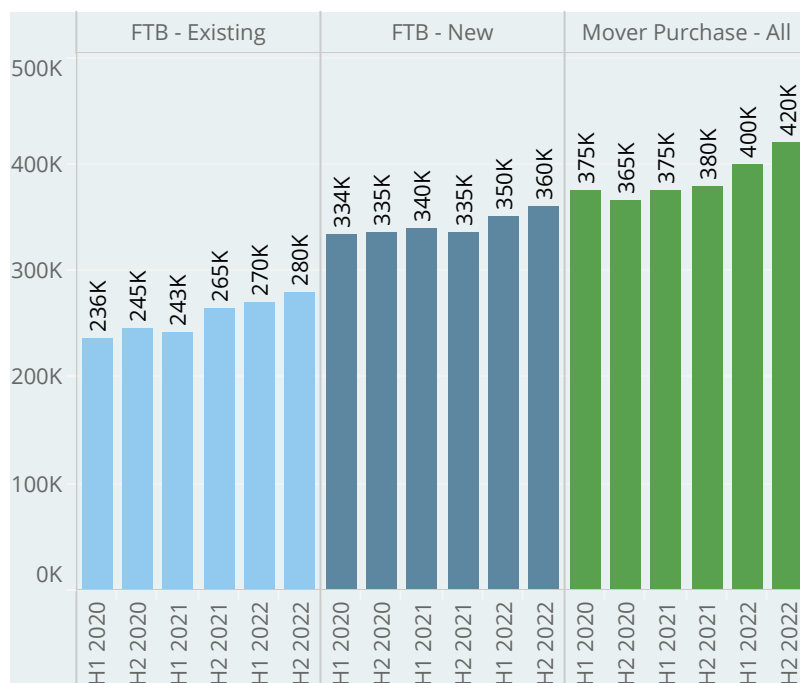
FTB - New

Mover Purchase - All

Median Loan



Median Property Value





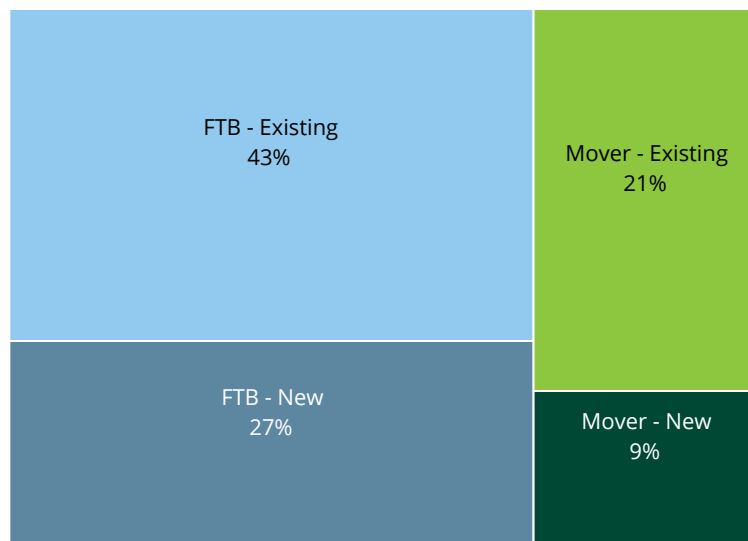
Mortgage Market Profile Report

Galway



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Customer Type-Property Status Share

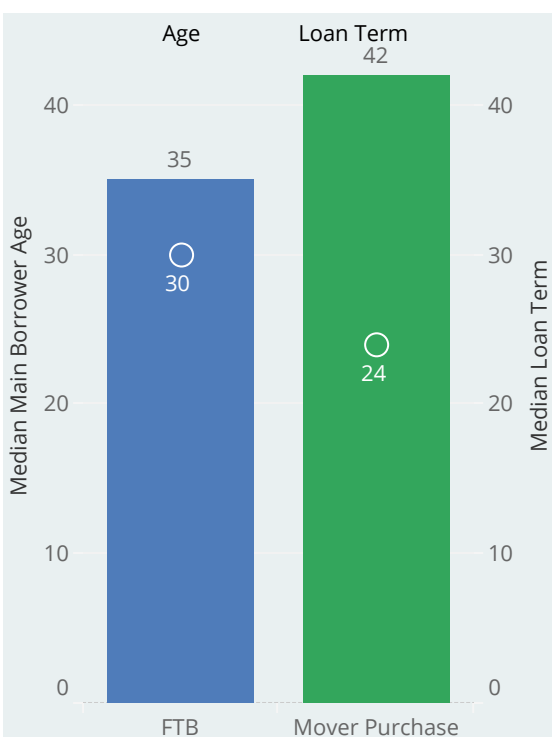


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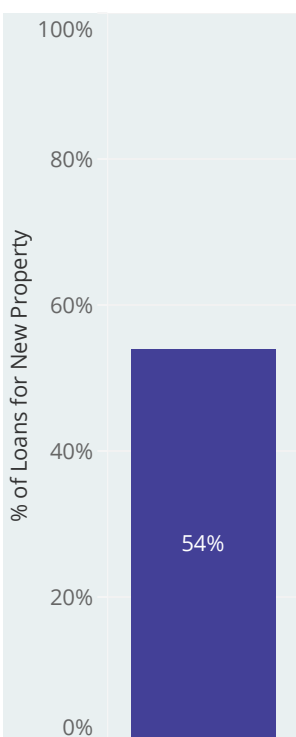
Some 12% of FTB mortgages in Galway were for apartments, the second highest proportion in any region, after Dublin.

The median income for mover purchasers decreased by 5.4% year on year to €99,300, the largest decrease of any region for mover purchasers. This may partly reflect relatively high median incomes in earlier periods.

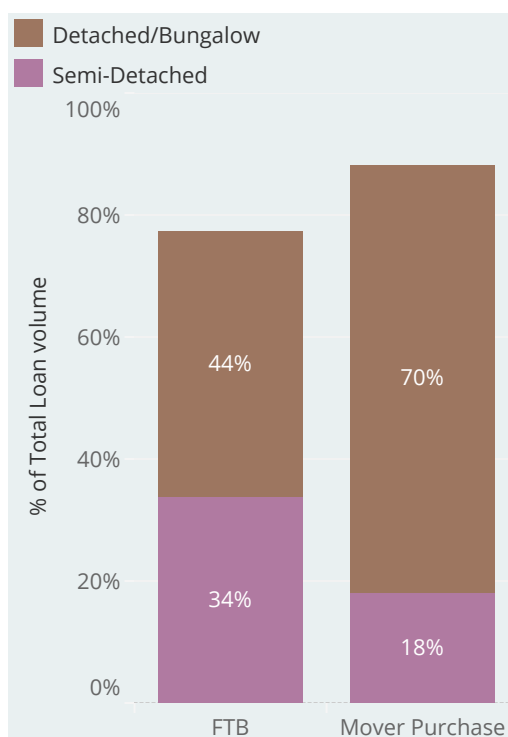
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types

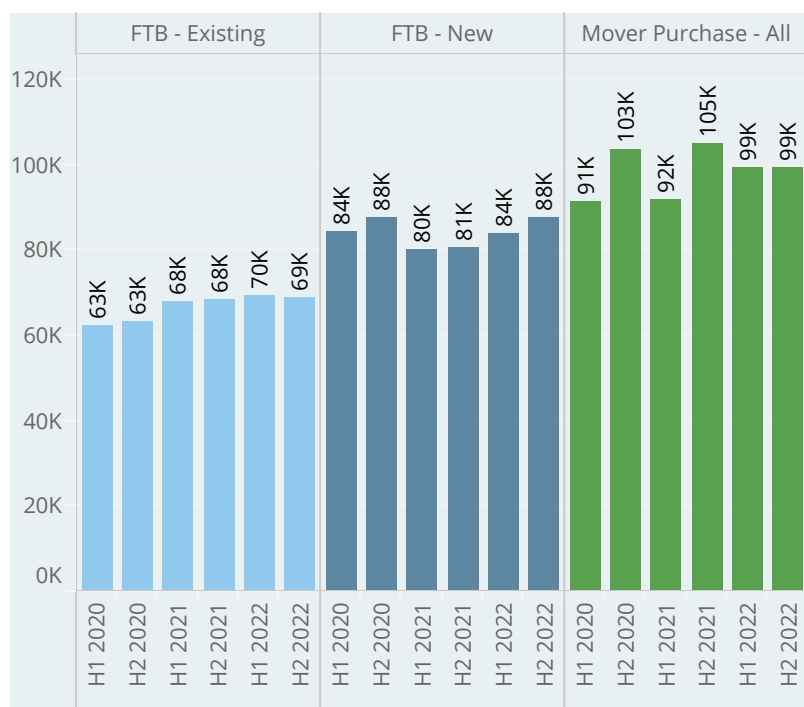




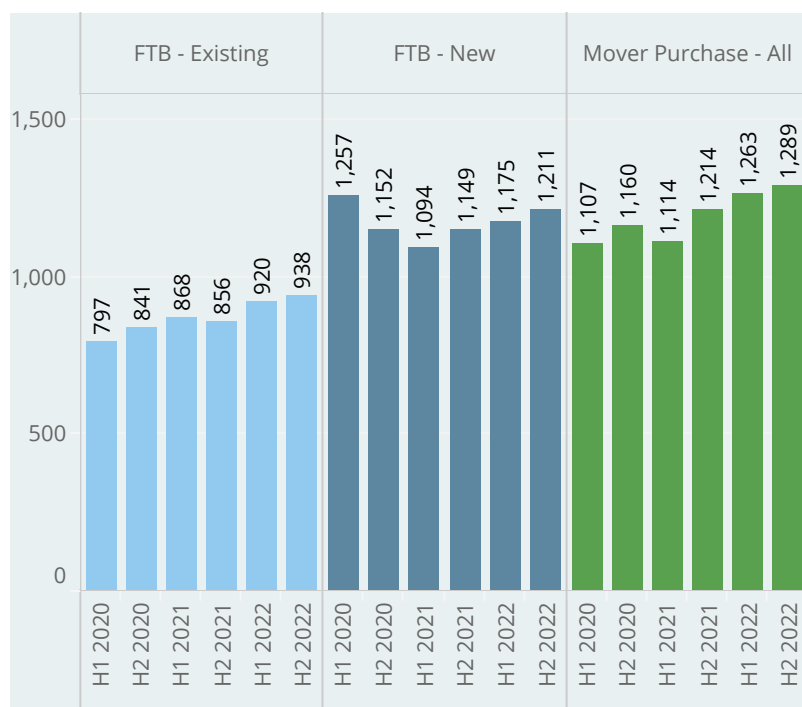
Mortgage Market Profile Report

Galway

Median Basic Household Income



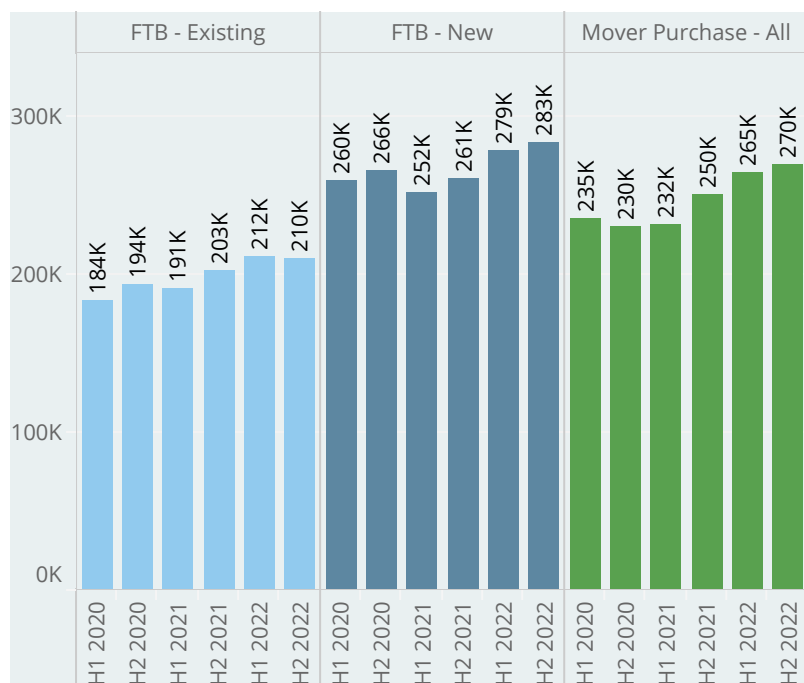
Median Monthly Repayment



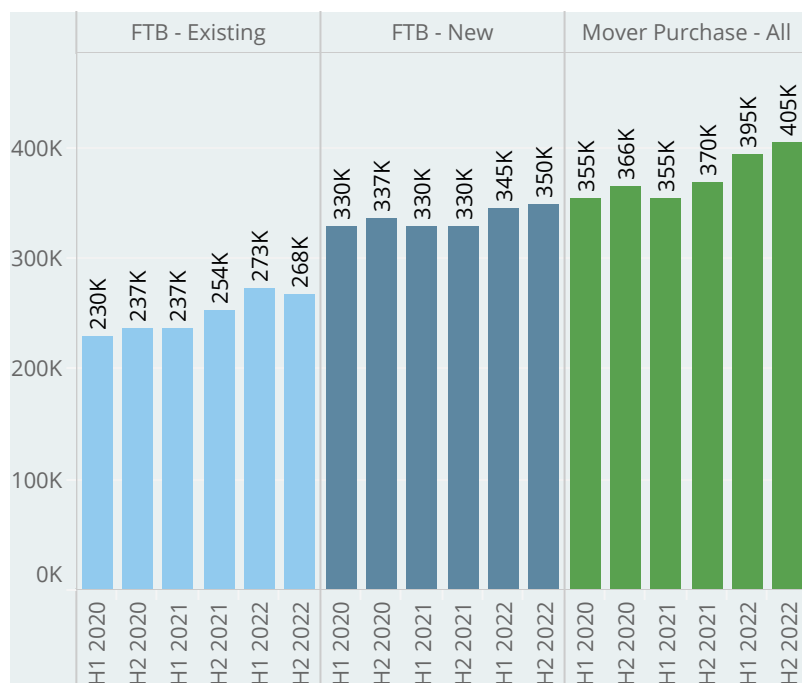
Note: Excluding self-builds

■ FTB - Existing ■ FTB - New ■ Mover Purchase - All

Median Loan



Median Property Value





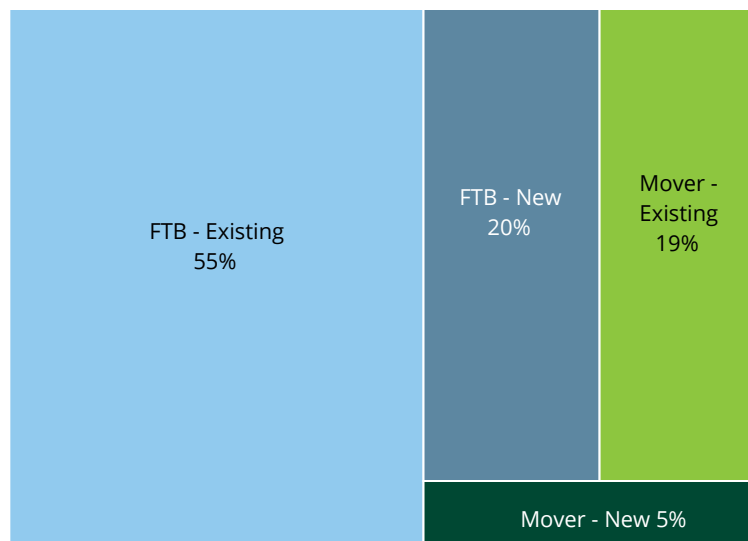
Mortgage Market Profile Report

Limerick



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Customer Type-Property Status Share

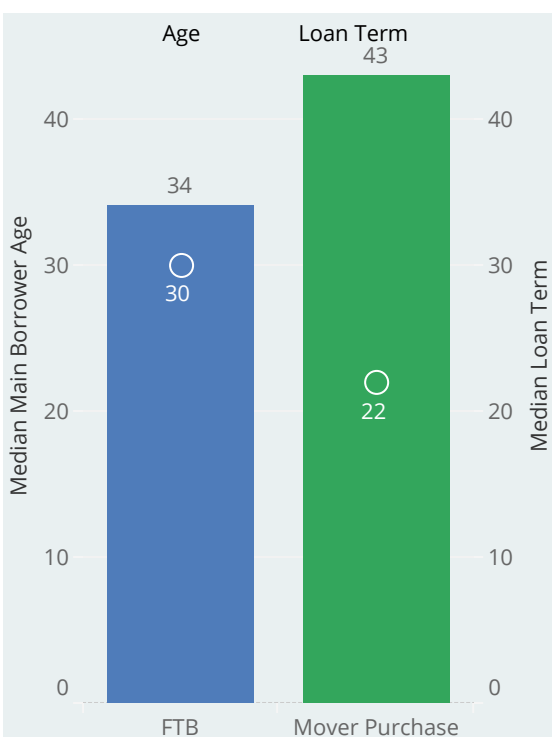


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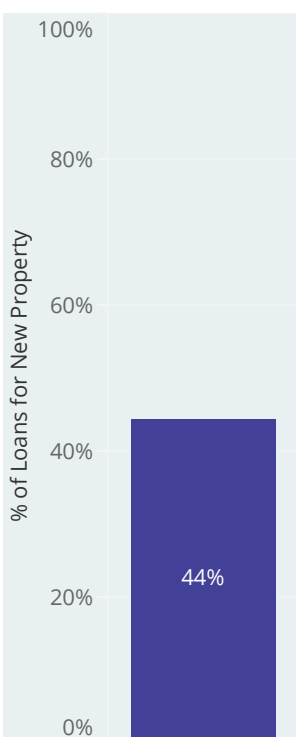
Limerick was the fourth largest market for FTB mortgages on existing properties in H2 2022, with a share of 4.5%.

Some 56% of mortgages in Limerick were for FTBs buying existing properties, the highest share of any region. The median property value for mover purchase mortgages was relatively low at €350,000: only the Border and Midland regions had lower property values in that segment.

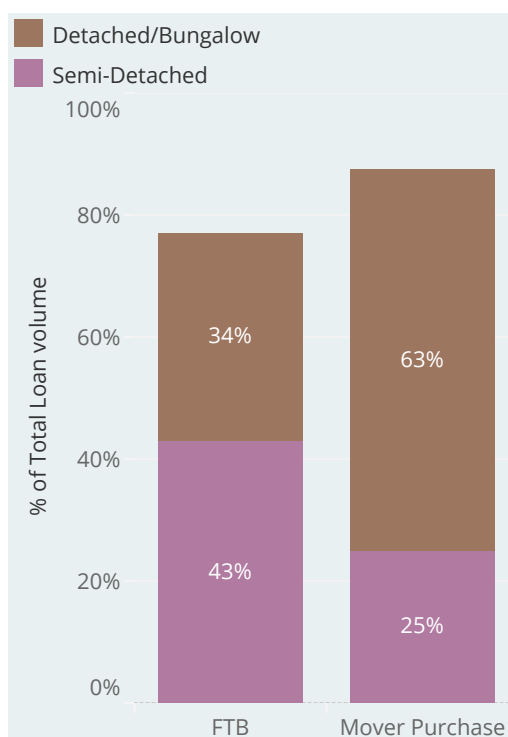
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types

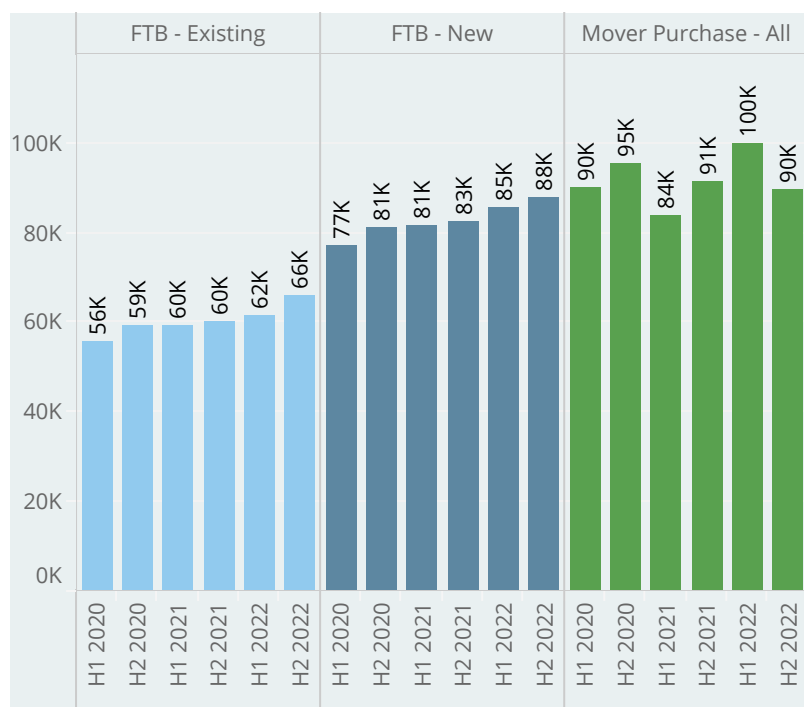




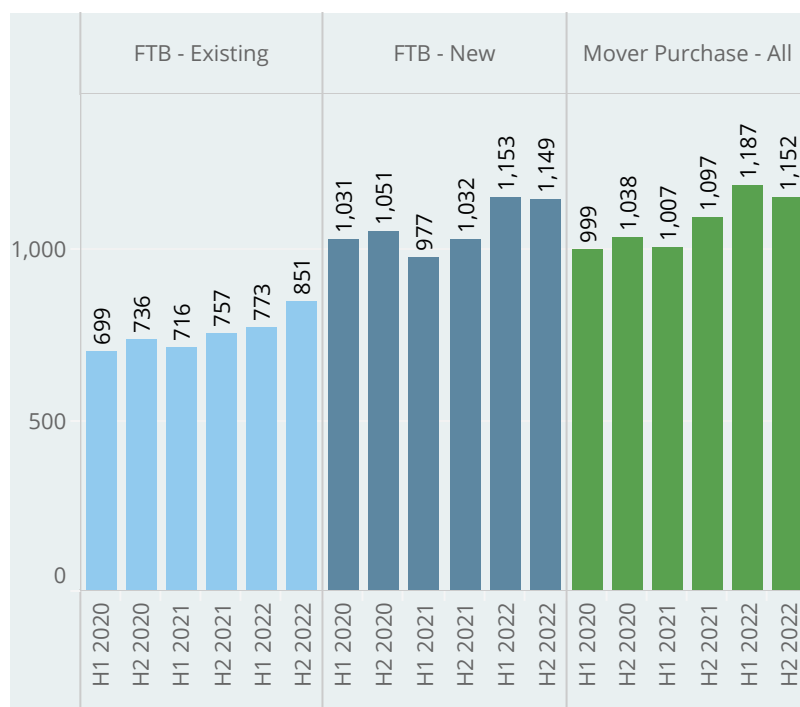
Mortgage Market Profile Report

Limerick

Median Basic Household Income



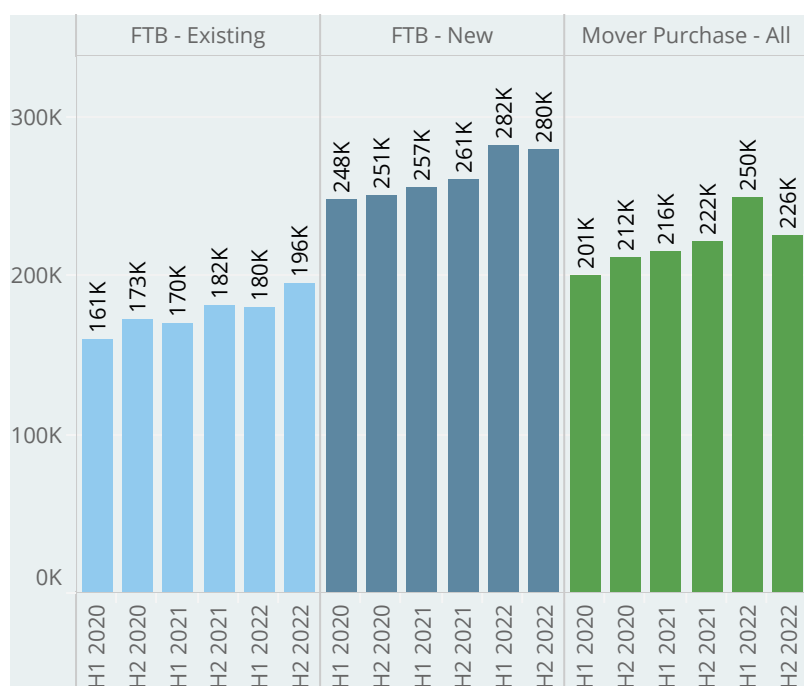
Median Monthly Repayment



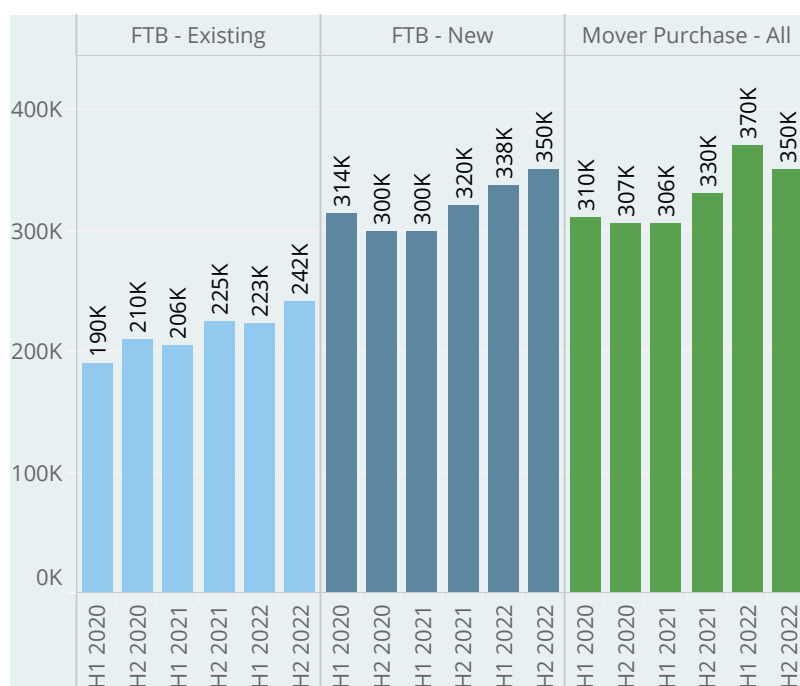
Note: Excluding self-builds

FTB - Existing FTB - New Mover Purchase - All

Median Loan



Median Property Value





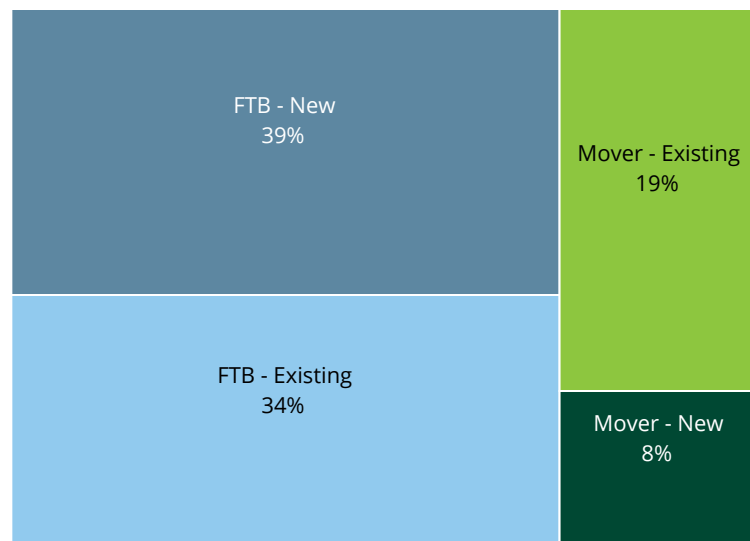
Mortgage Market Profile Report

Meath



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Customer Type-Property Status Share

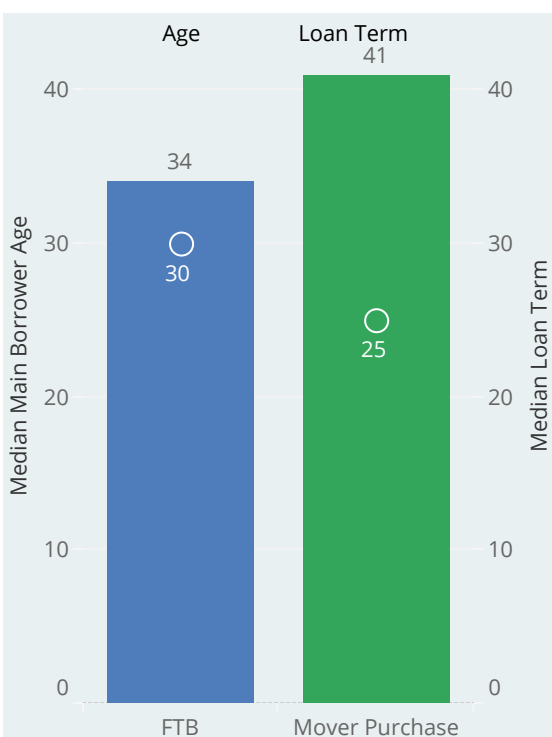


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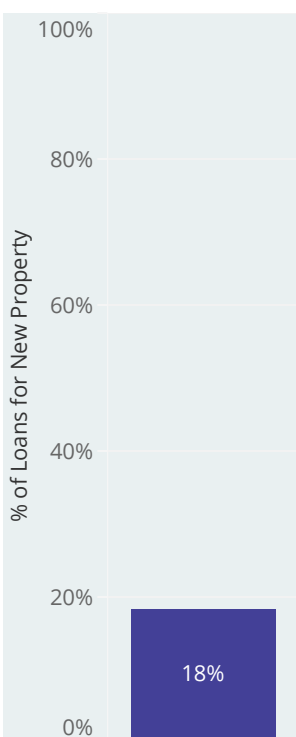
Meath's share of the national market for FTB New mortgages fell from 10.8% in H2 2021 to 8.8% in H2 2022.

Some 48% of FTBs bought semi-detached properties in H2 2022, the second highest proportion across all regions, after Kildare.

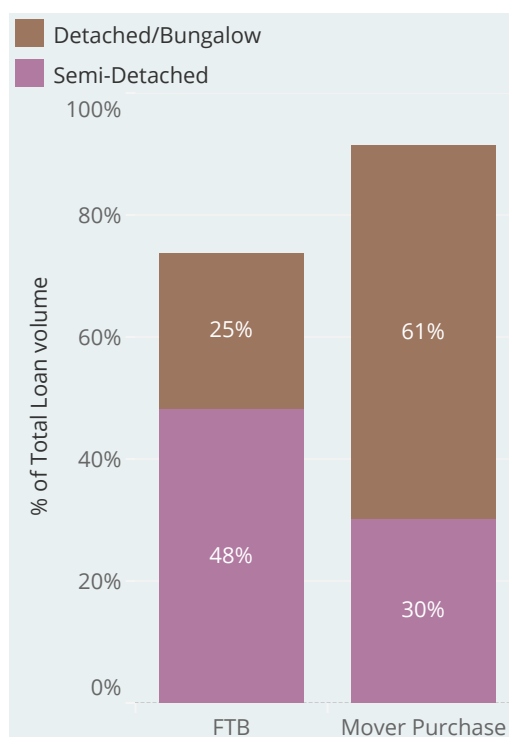
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types

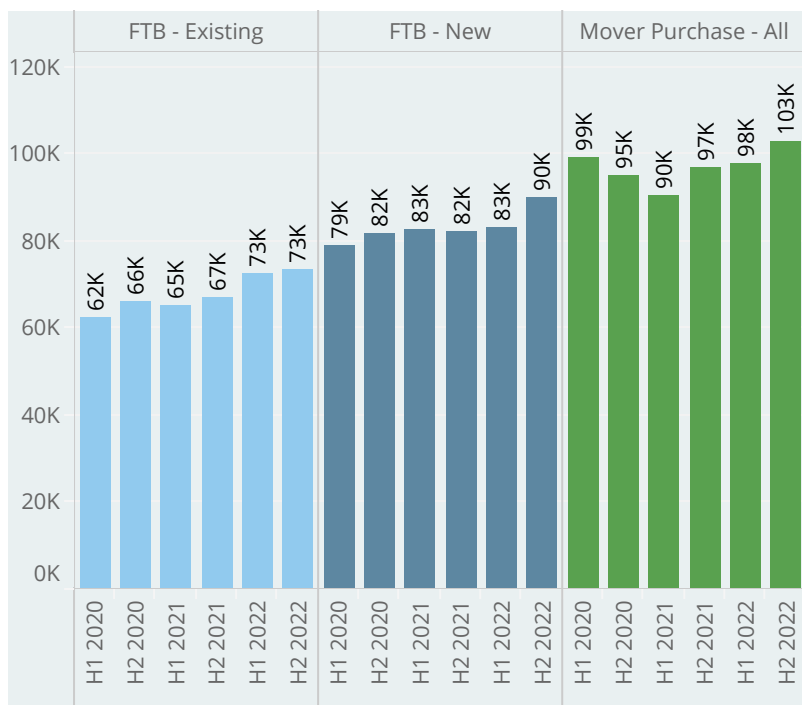




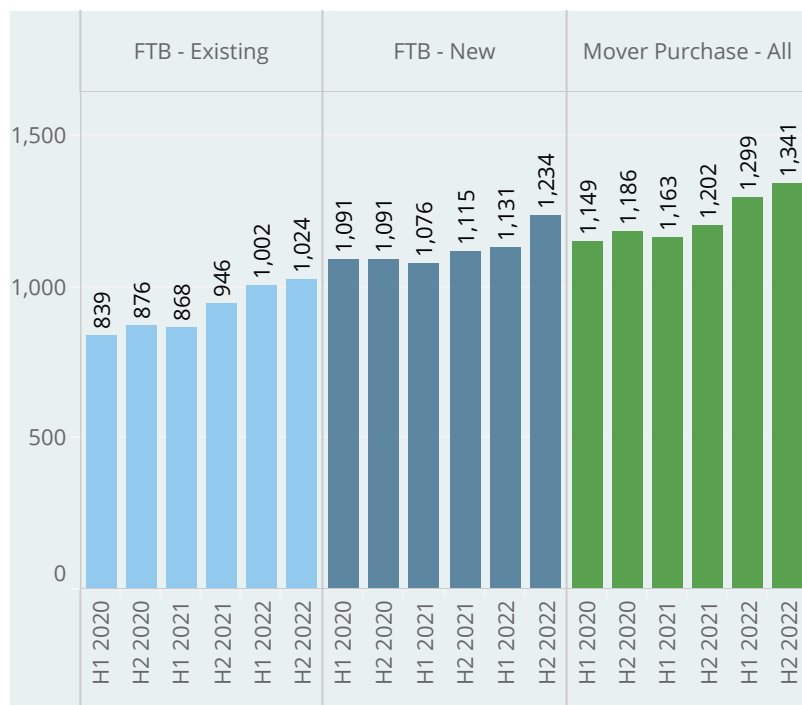
Mortgage Market Profile Report

Meath

Median Basic Household Income



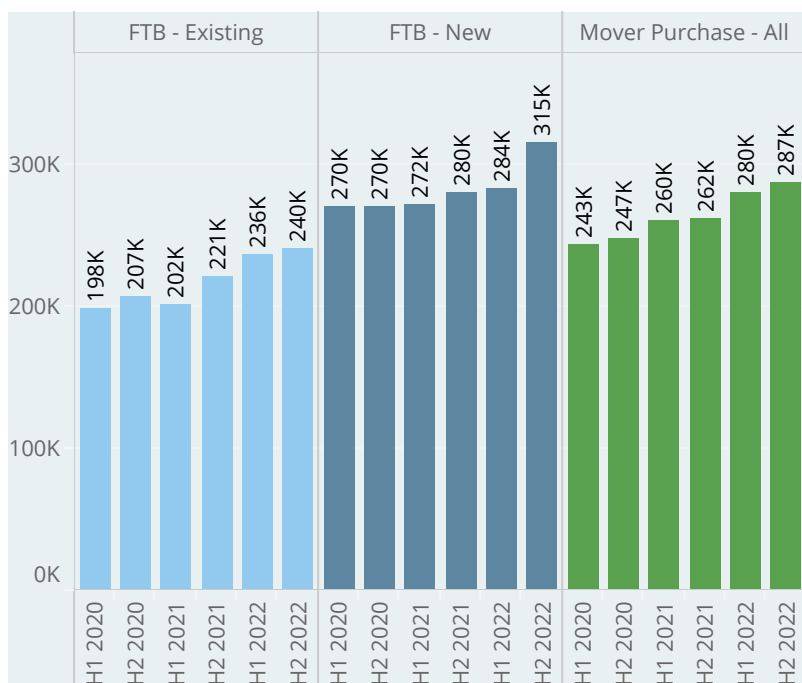
Median Monthly Repayment



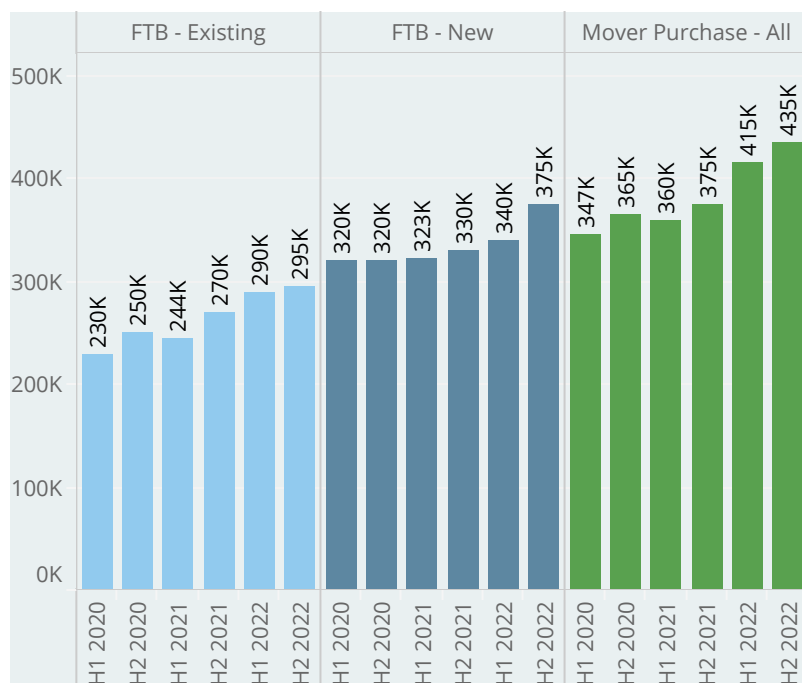
Note: Excluding self-builds

■ FTB - Existing ■ FTB - New ■ Mover Purchase - All

Median Loan



Median Property Value





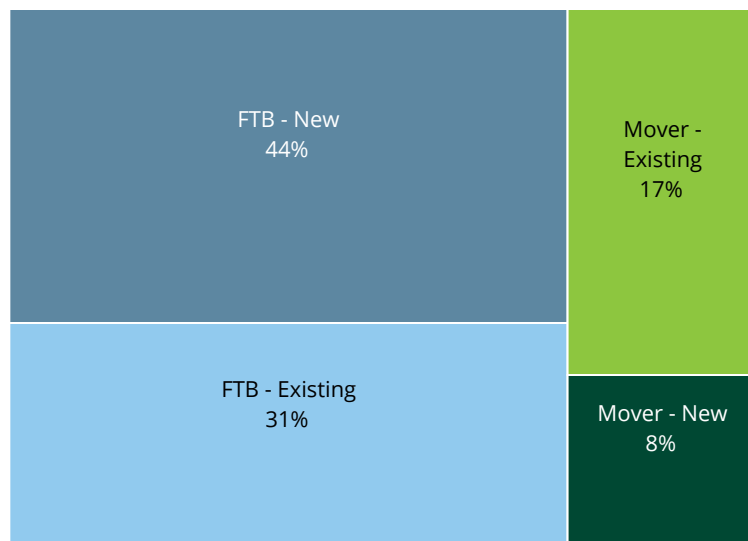
Mortgage Market Profile Report

Kildare



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Customer Type-Property Status Share

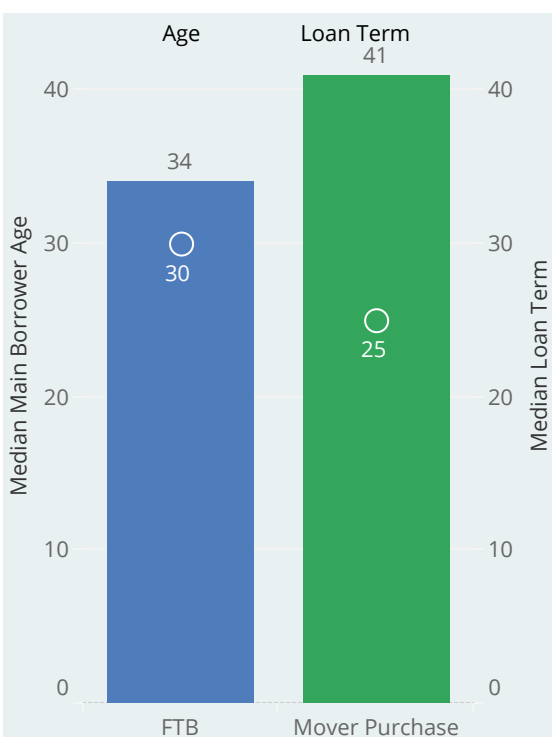


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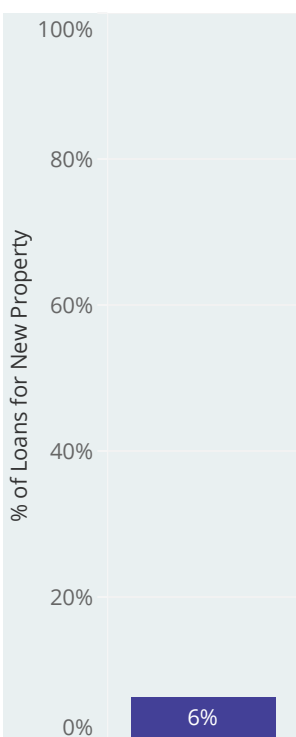
Kildare had the second highest share of FTBs buying or building new properties at 13.1% in H2 2022. Kildare had the third highest share of mover purchases at 6.9%.

Kildare property values were the third highest in each segment: mover purchase property values increased by 9.6% year on year to €450,000; FTB Existing by 6.8% to €315,000 and FTB New by 4.6% to €395,000. Kildare was the only region, apart from Dublin, with a significant share of terraced houses (18% of FTB mortgages).

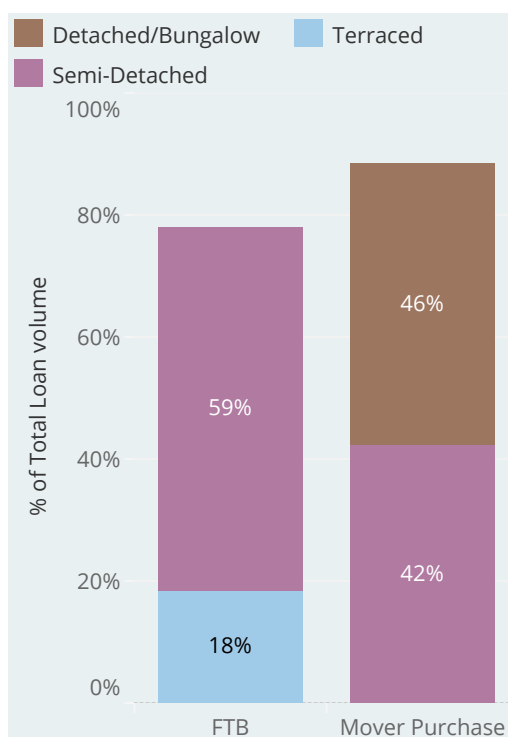
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types

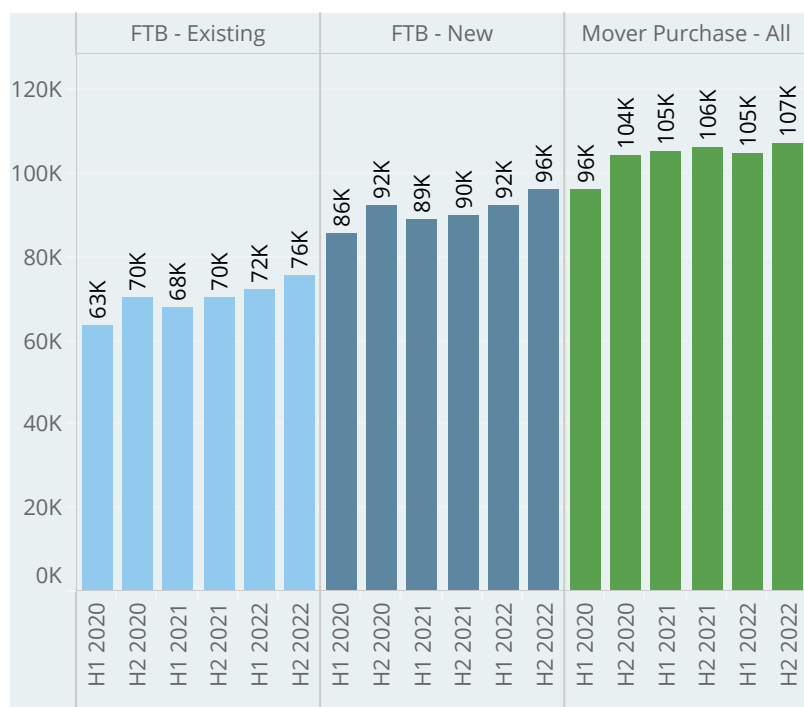




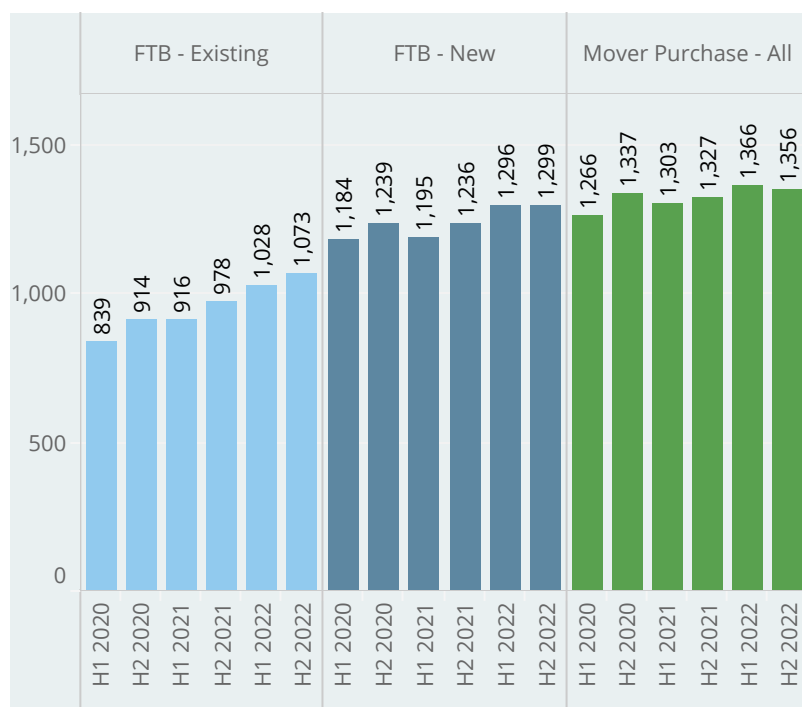
Mortgage Market Profile Report

Kildare

Median Basic Household Income



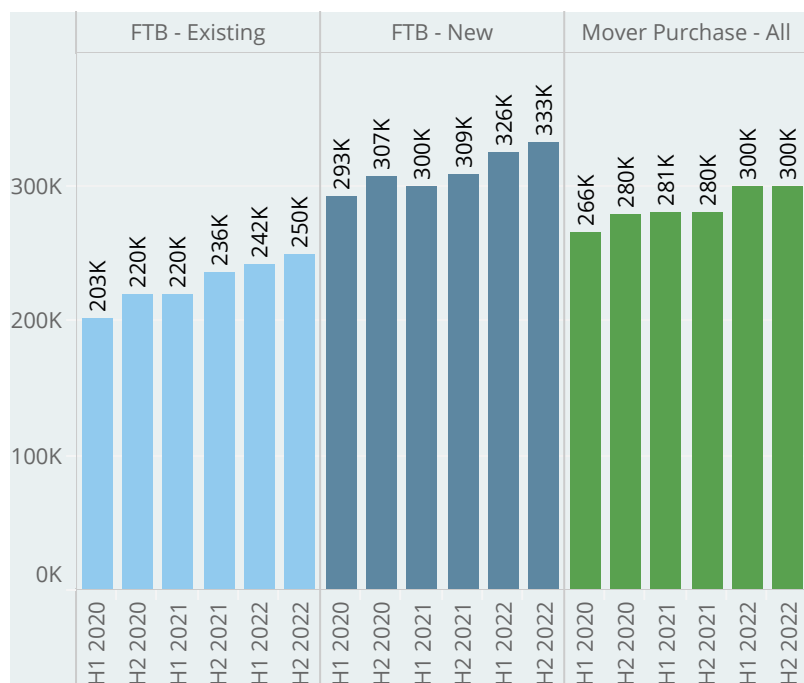
Median Monthly Repayment



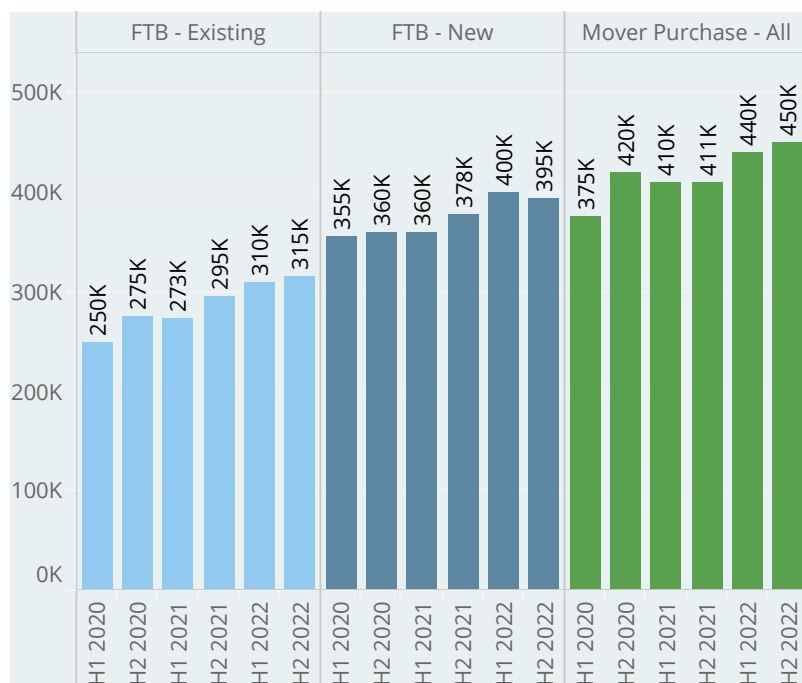
Note: Excluding self-builds

FTB - Existing FTB - New Mover Purchase - All

Median Loan



Median Property Value





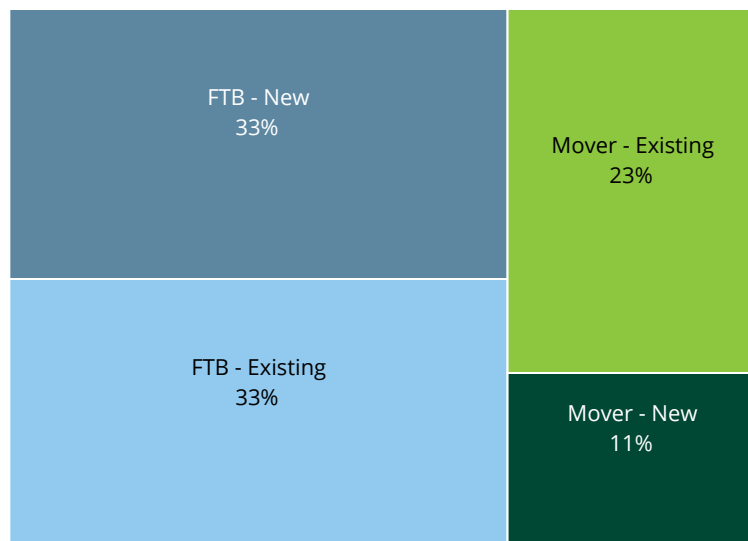
Mortgage Market Profile Report

Wicklow



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Customer Type-Property Status Share

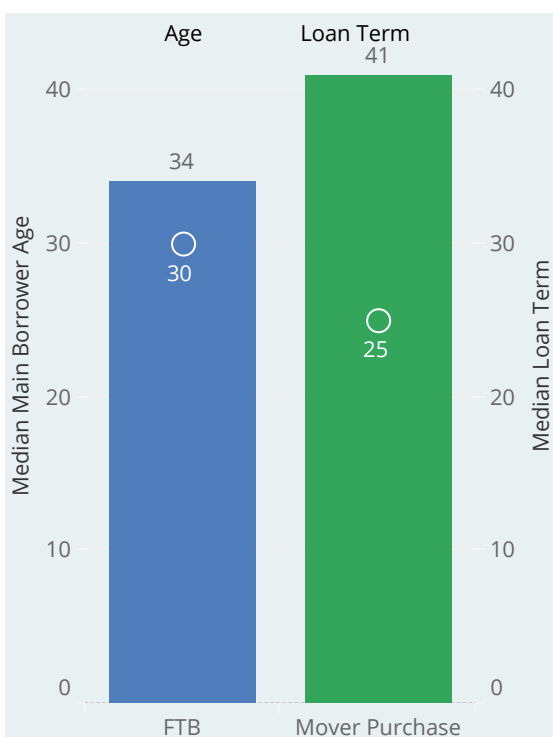


Note: All charts on this page refer to H2 2022.

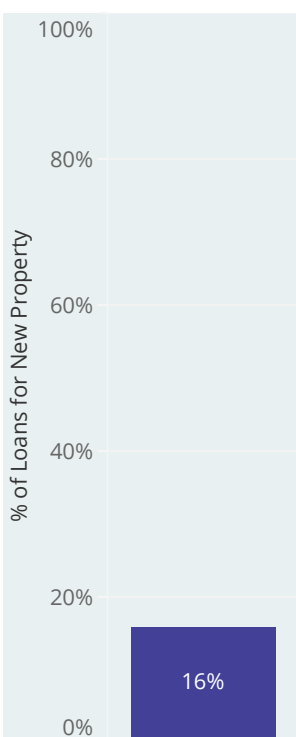
Mover purchasers accounted for 33.5% of home mortgages in Wicklow in H2 2022, the highest proportion in the country.

For FTBs buying existing properties, the county's median basic household incomes and monthly repayments (excluding self-builds) rose by 20% and 16%, respectively, between H1 2021 and H2 2022. The median monthly repayment was the second highest in the country (after Dublin) in all segments).

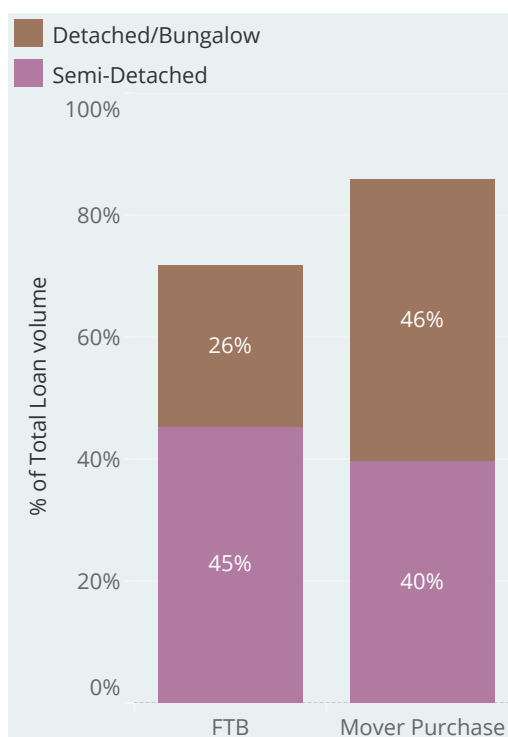
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types

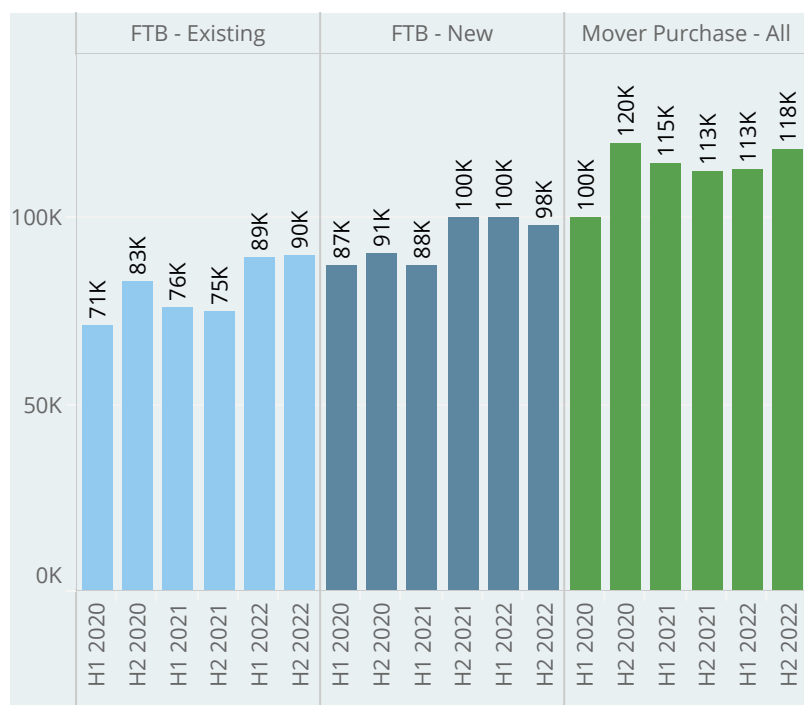




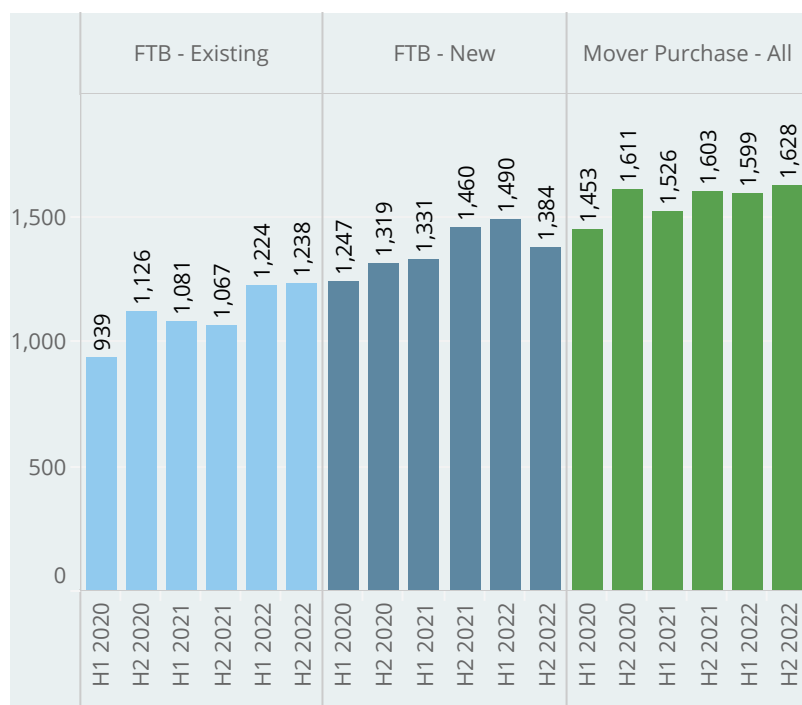
Mortgage Market Profile Report

Wicklow

Median Basic Household Income



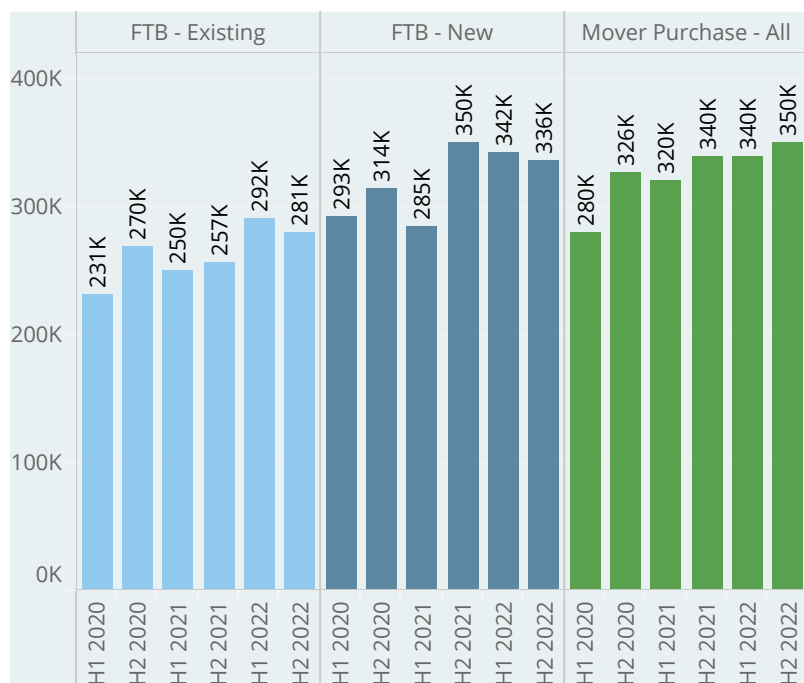
Median Monthly Repayment



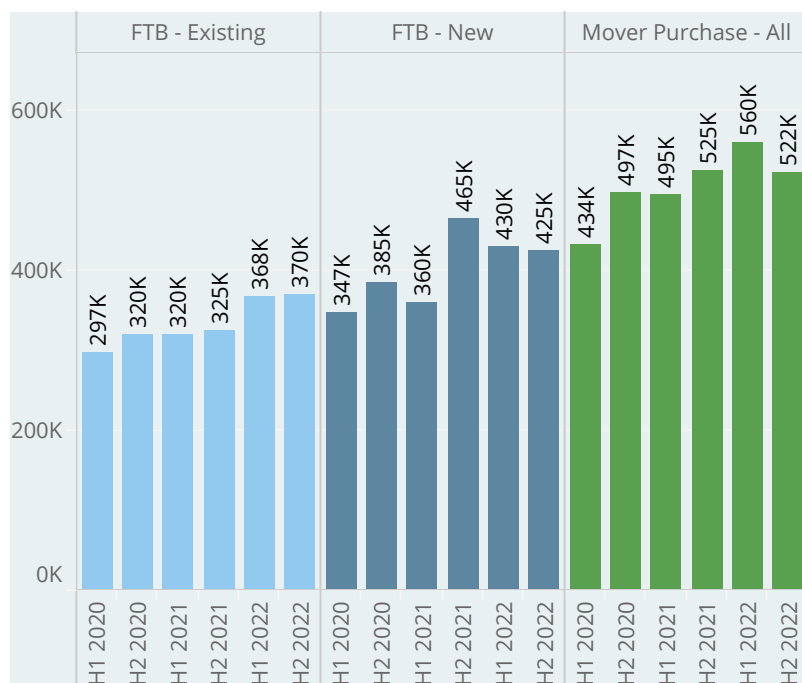
Note: Excluding self-builds

■ FTB - Existing ■ FTB - New ■ Mover Purchase - All

Median Loan



Median Property Value





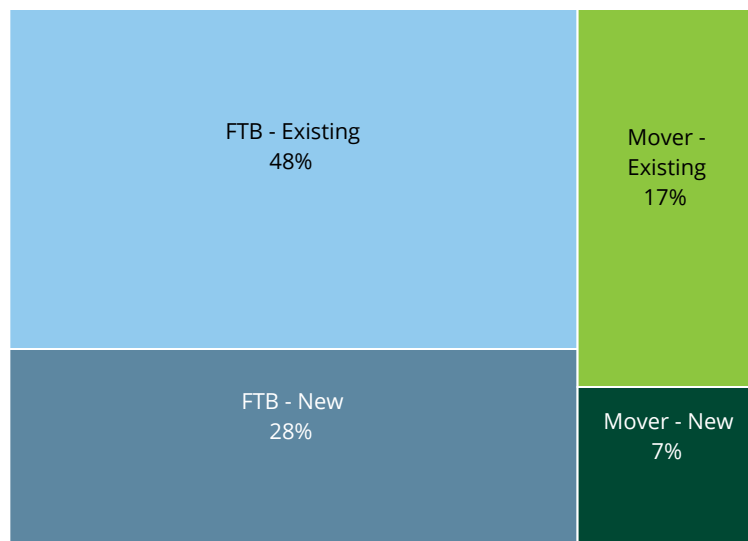
Mortgage Market Profile Report

Border



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Customer Type-Property Status Share

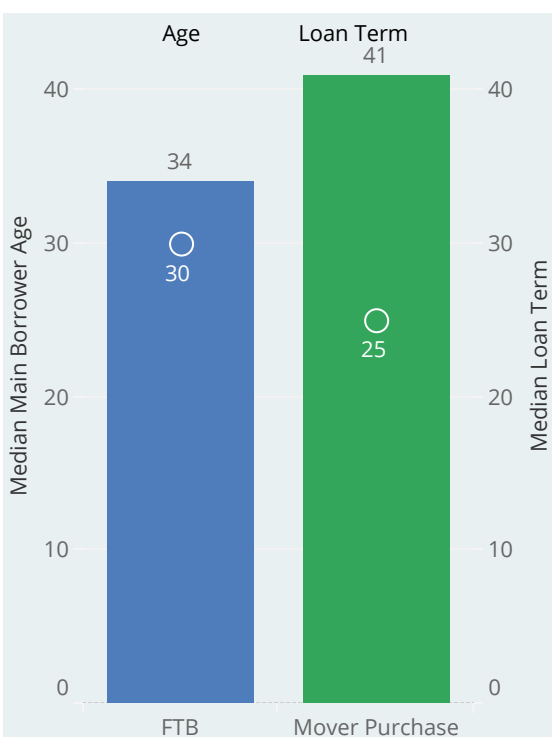


Note: All charts on this page refer to H2 2022.

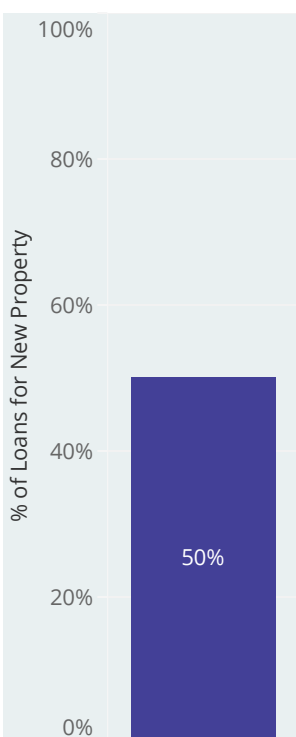
In H2 2022, FTBs accounted for almost 76% of home mortgages in the Border region – the joint highest proportion alongside Limerick. Self-builds accounted for 50% of new properties financed by mortgages, down from 59% in H2 2021.

The median monthly repayments (excluding self-builds) of FTBs buying or building existing properties and of movers were the lowest in the country at €774 and €1,004, respectively.

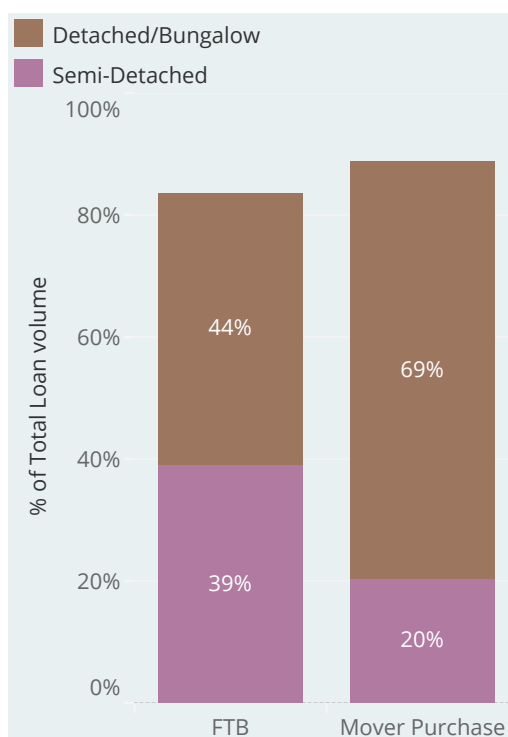
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types

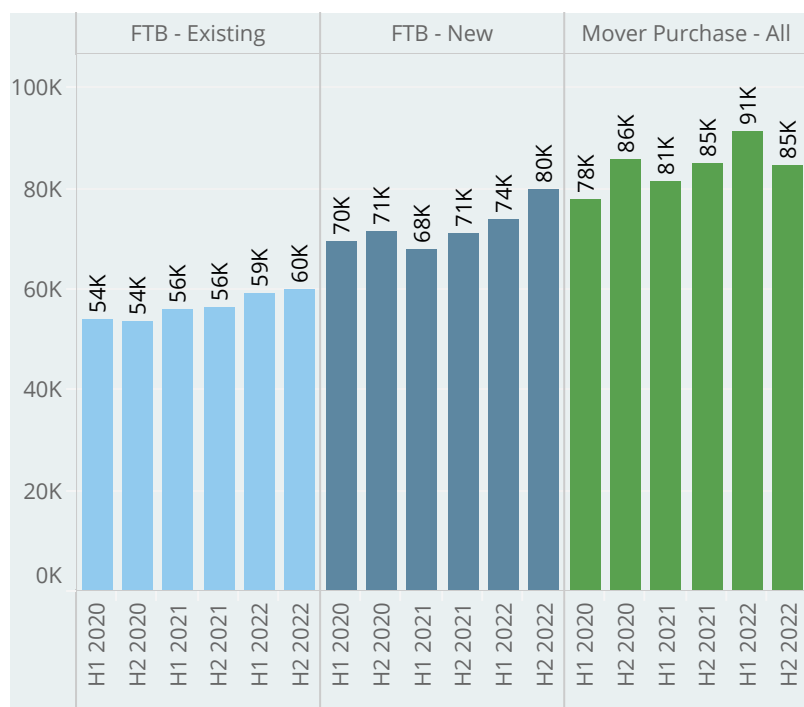




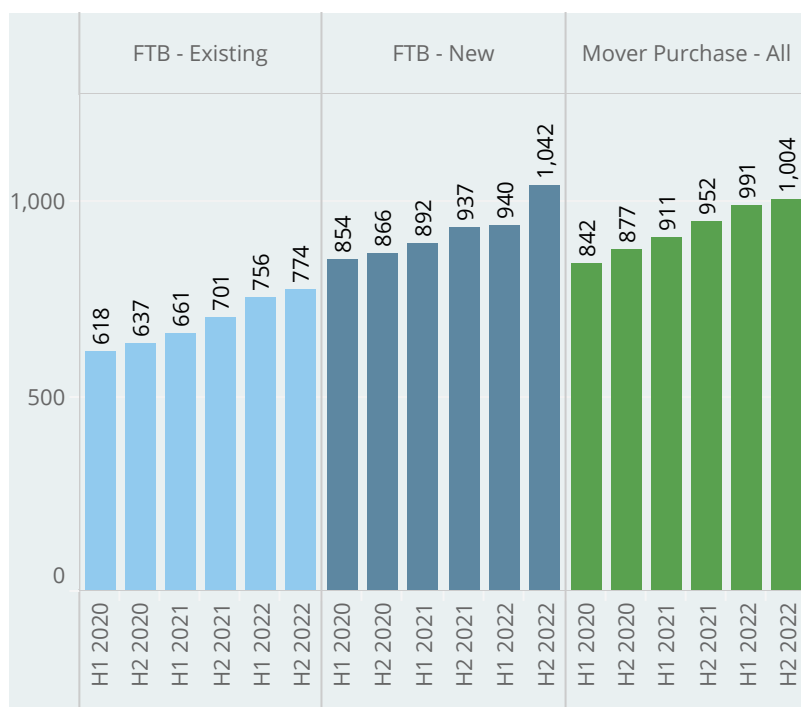
Mortgage Market Profile Report

Border

Median Basic Household Income



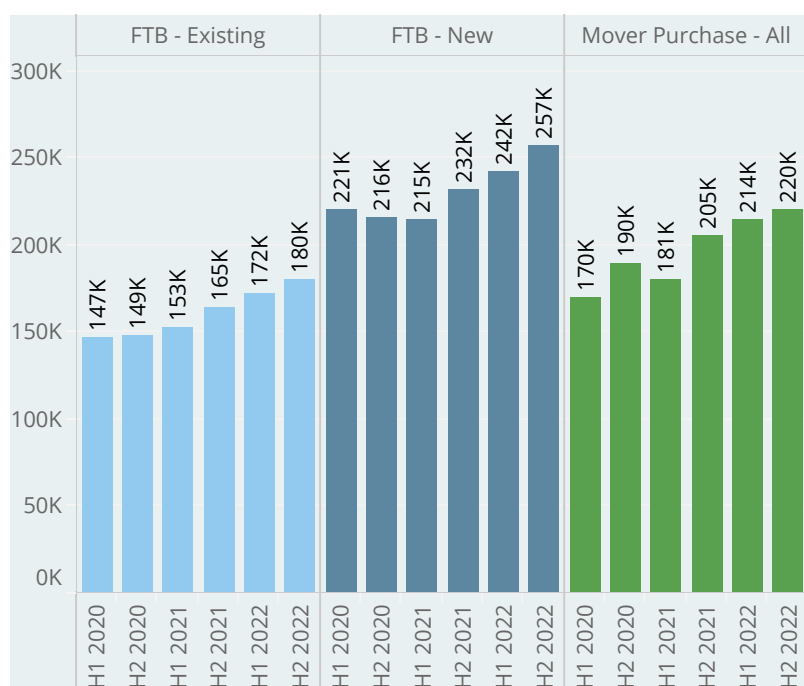
Median Monthly Repayment



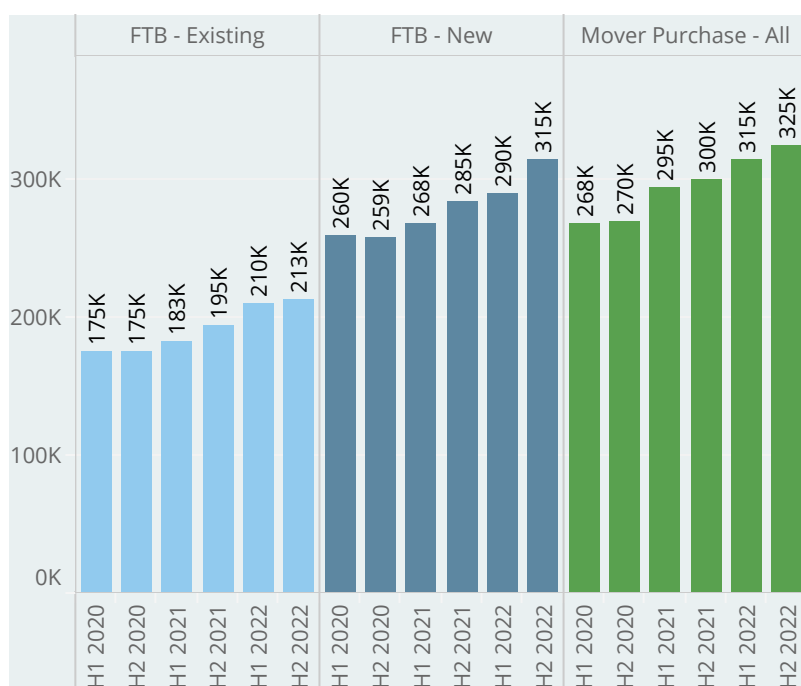
Note: Excluding self-builds

■ FTB - Existing ■ FTB - New ■ Mover Purchase - All

Median Loan



Median Property Value





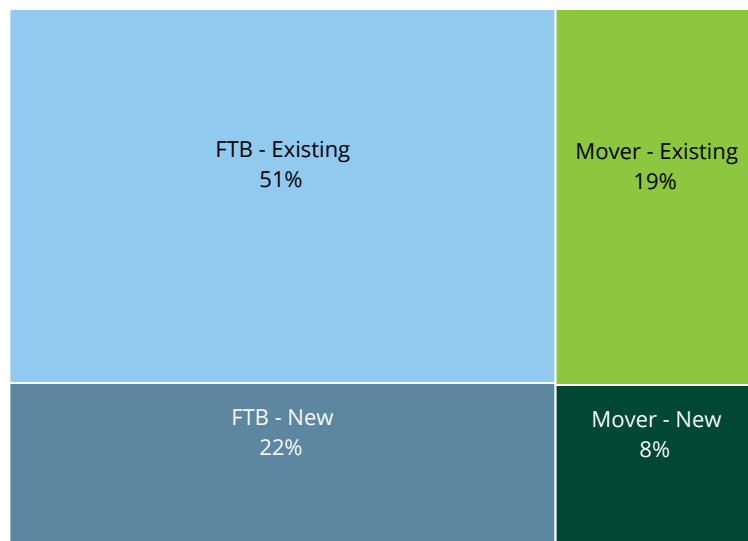
Mortgage Market Profile Report

West



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Customer Type-Property Status Share

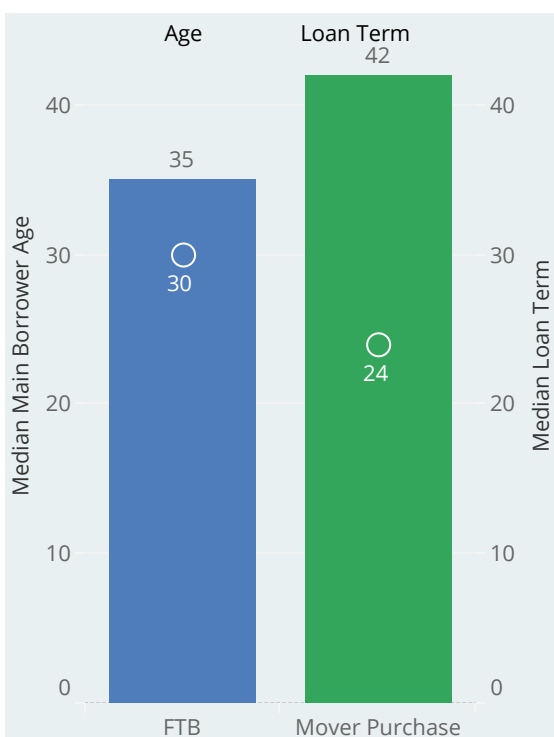


Note: All charts on this page refer to H2 2022.

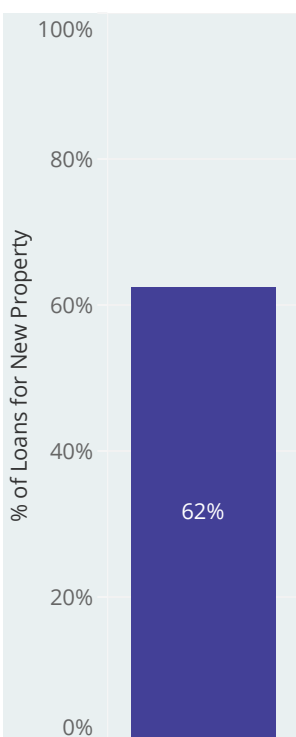
Some 62% of new properties financed by home mortgages in the West region were self-builds in H2 2022, down from 76% in H2 2020. Similarly, the share of FTB loans secured on detached houses/bungalows fell from 57% in H2 2021 to 50% a year later.

The West had the country's lowest median FTB loan values for FTBs for both new and existing properties even though median loan values rose by 22% and 23%, respectively, between H2 2020 and H2 2022. The median property value for mover purchase mortgages increased by 21% year on year in H2 2022.

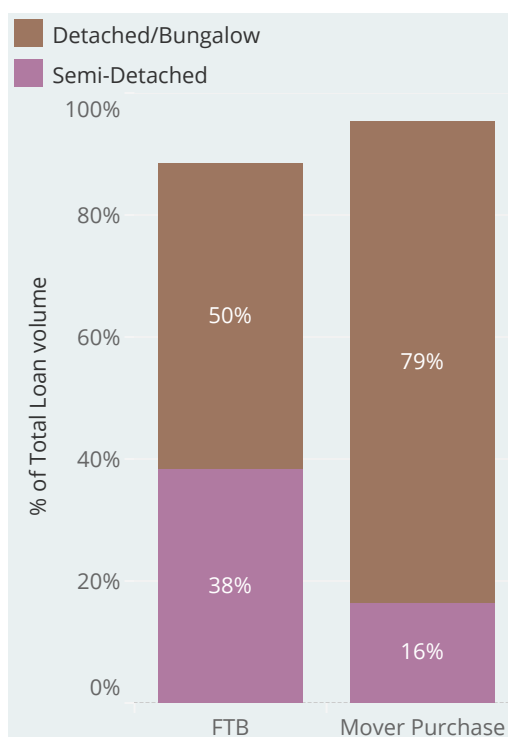
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types

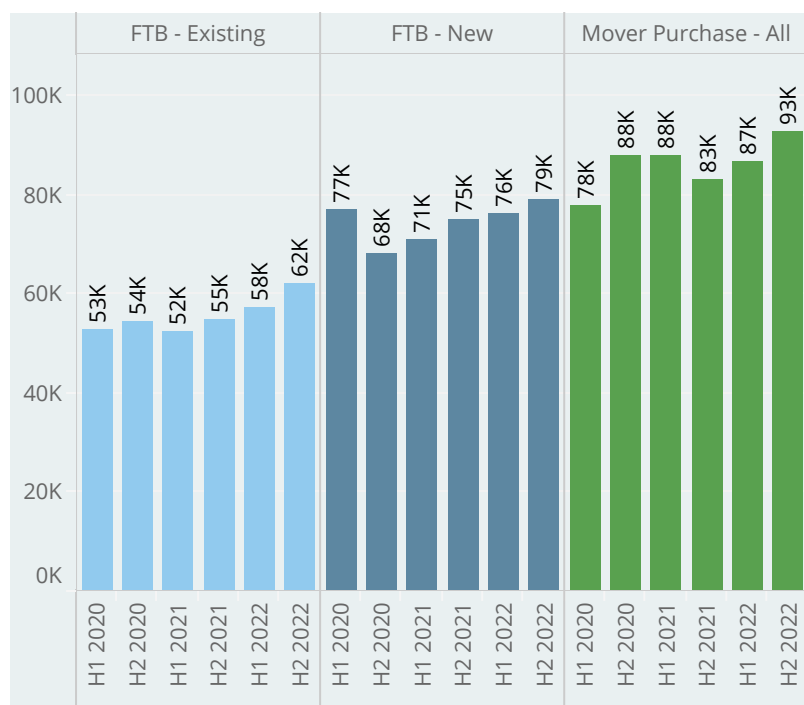




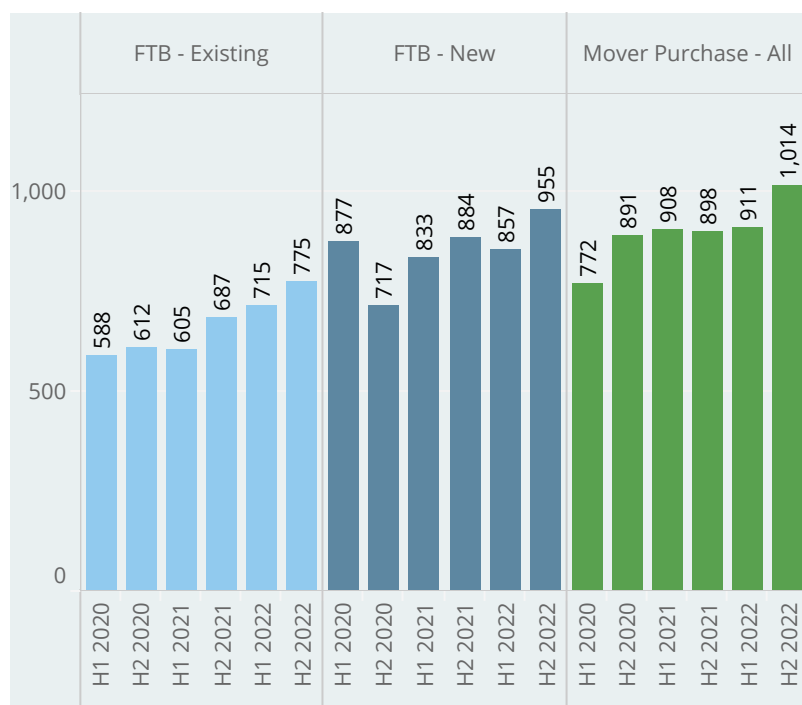
Mortgage Market Profile Report

West

Median Basic Household Income



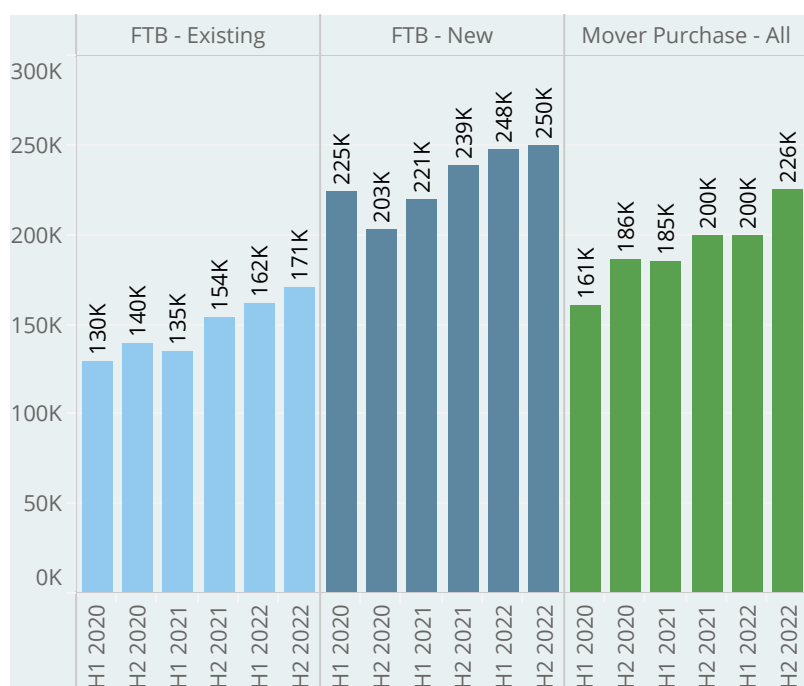
Median Monthly Repayment



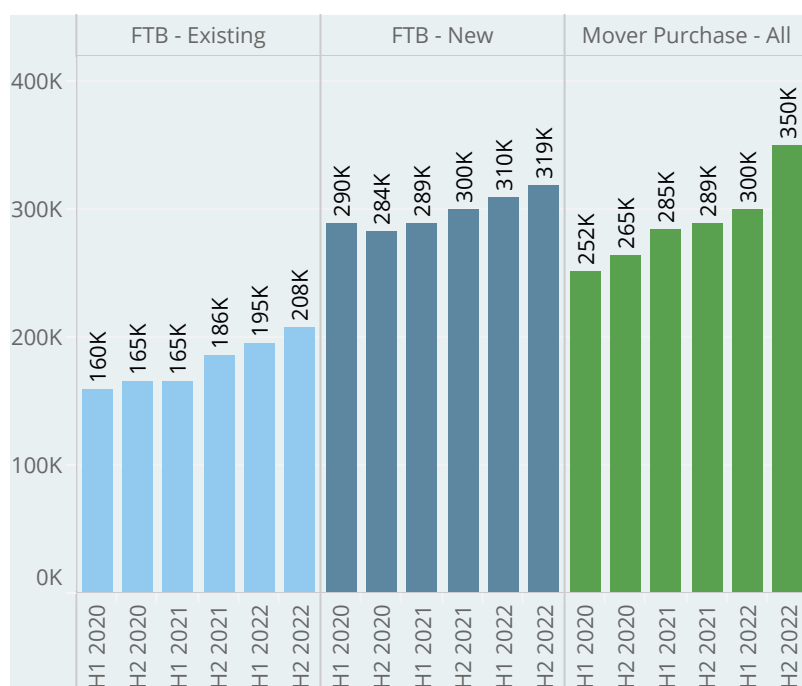
Note: Excluding self-builds

FTB - Existing FTB - New Mover Purchase - All

Median Loan



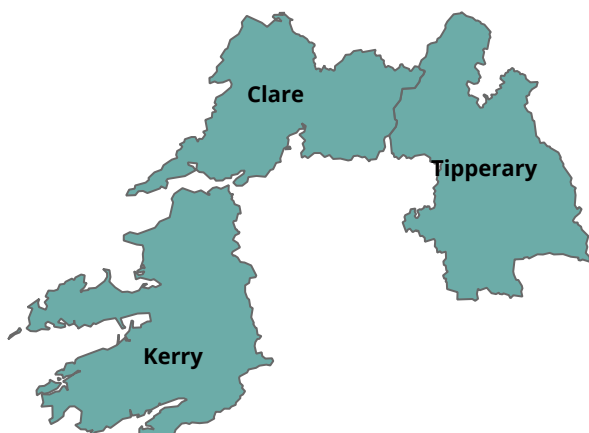
Median Property Value





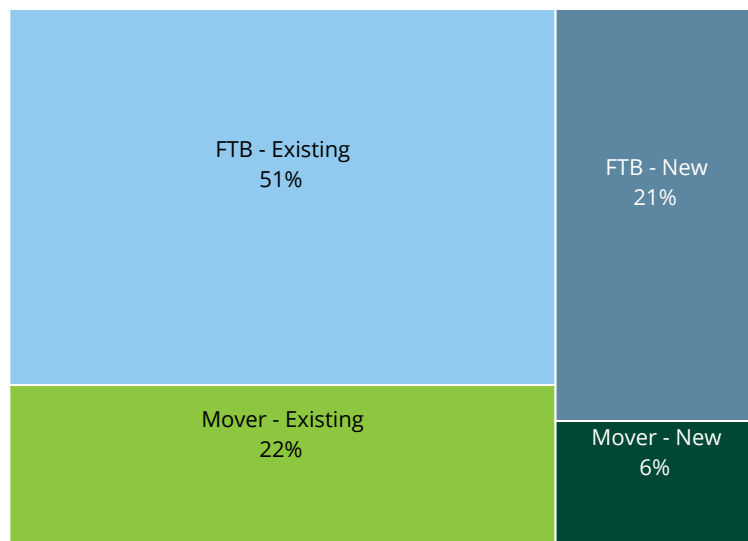
Mortgage Market Profile Report

South and Mid West



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Customer Type-Property Status Share

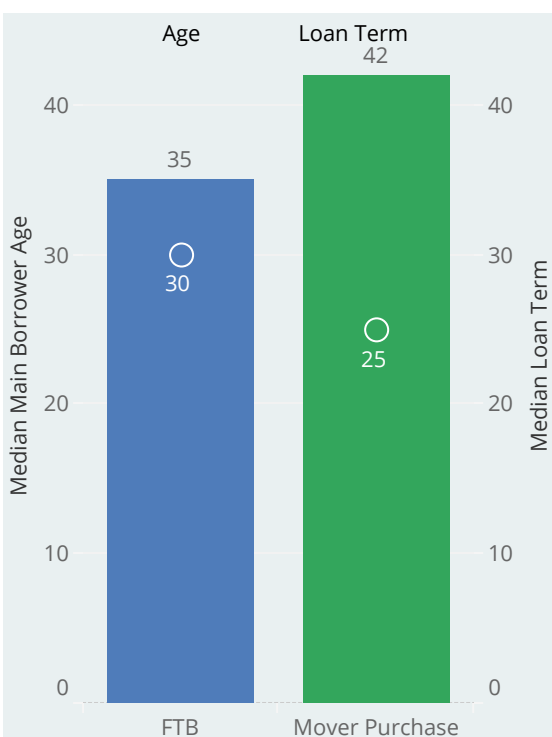


Note: All charts on this page refer to H2 2022.

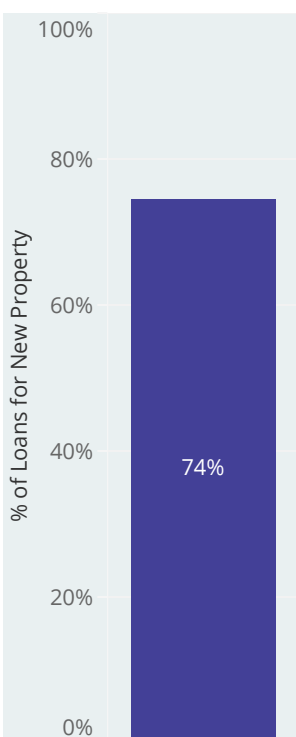
In H2 2022, self-builds accounted for 74% of new properties financed by home mortgages in the South and Mid West region, down from 78% in H2 2021 but by far the highest share in the country. Some 55% of FTB mortgages and 76% of mover purchase mortgages were secured on detached houses/bungalows.

The median mover purchase loan value was the joint lowest in the country (with the Border region) at €250,000 in H2 2022.

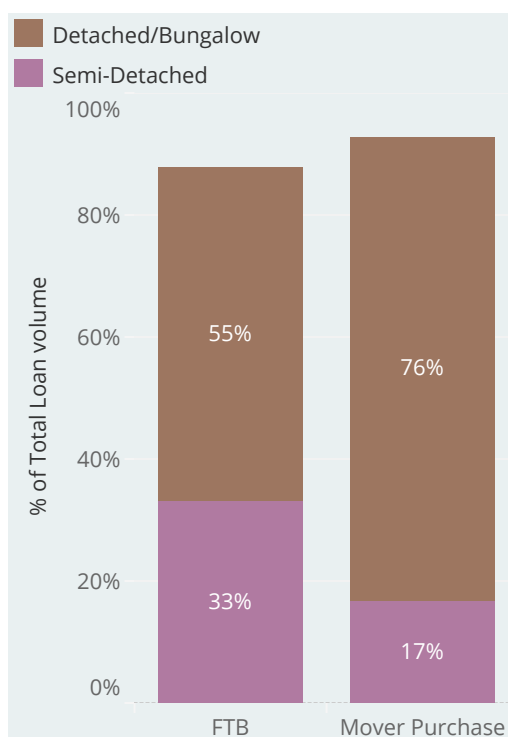
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types

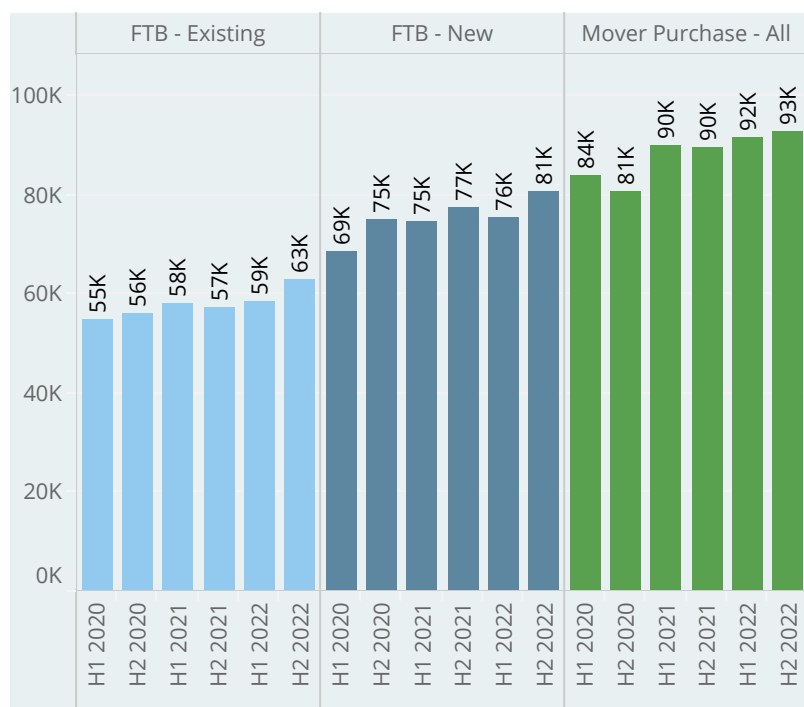




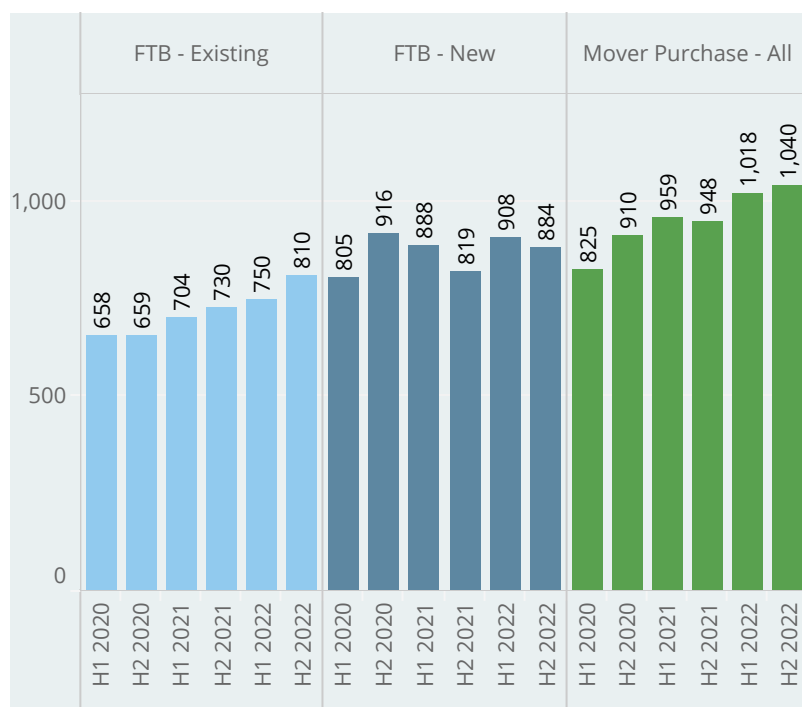
Mortgage Market Profile Report

South and Mid West

Median Basic Household Income



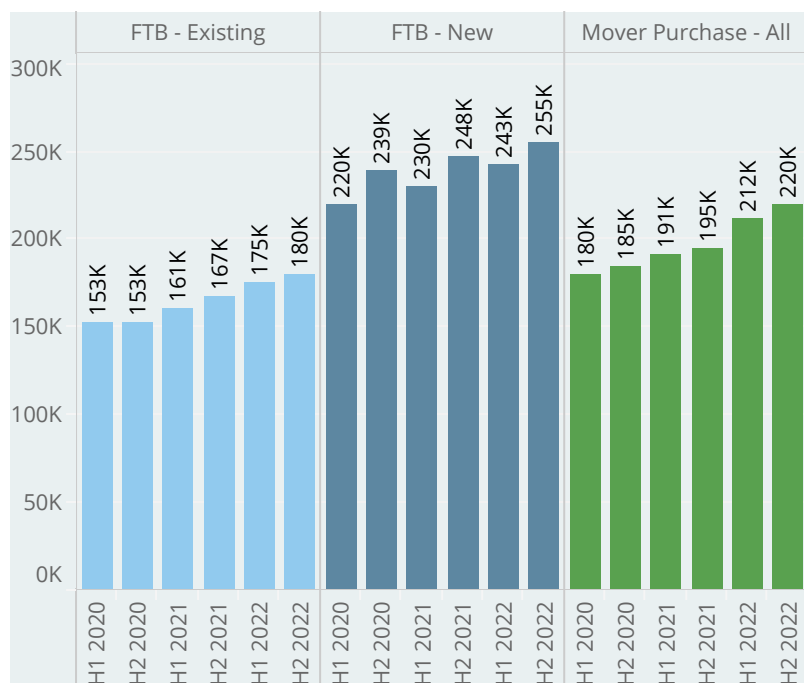
Median Monthly Repayment



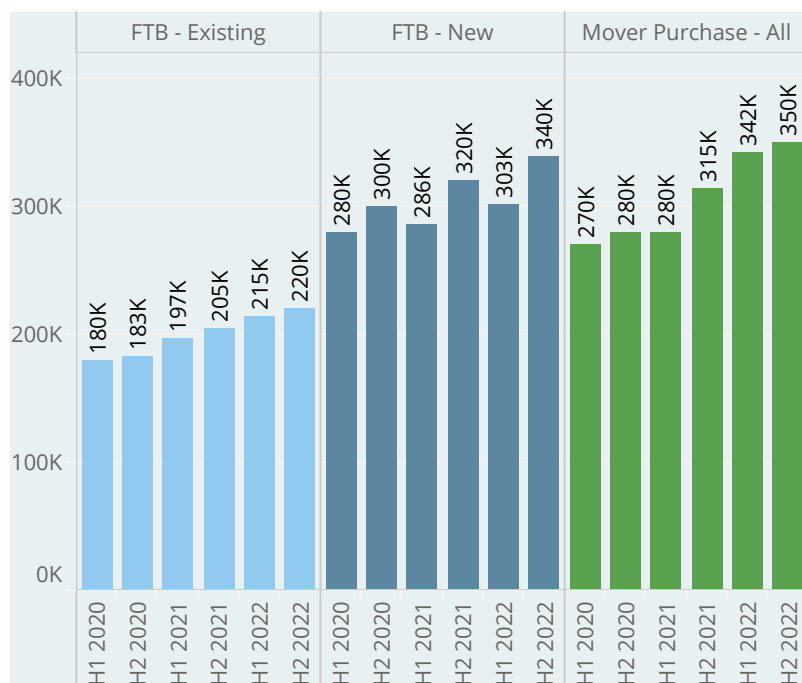
Note: Excluding self-builds

■ FTB - Existing ■ FTB - New ■ Mover Purchase - All

Median Loan



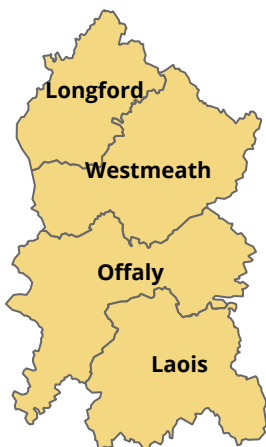
Median Property Value





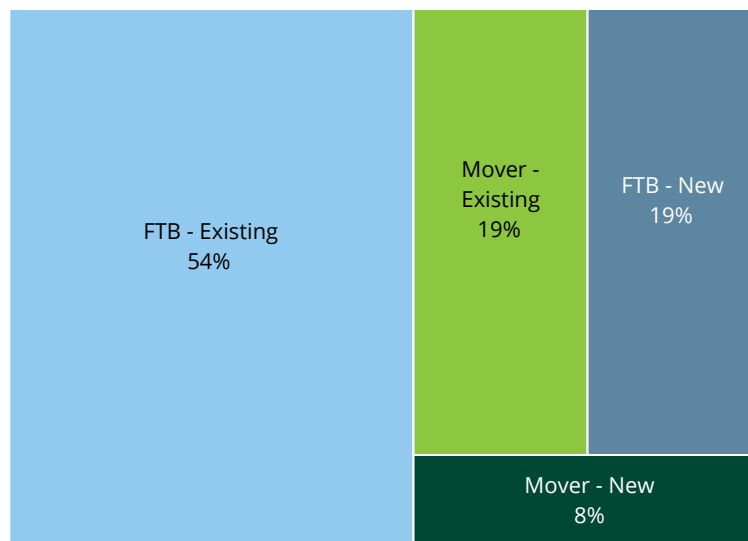
Mortgage Market Profile Report

Midlands



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Customer Type-Property Status Share

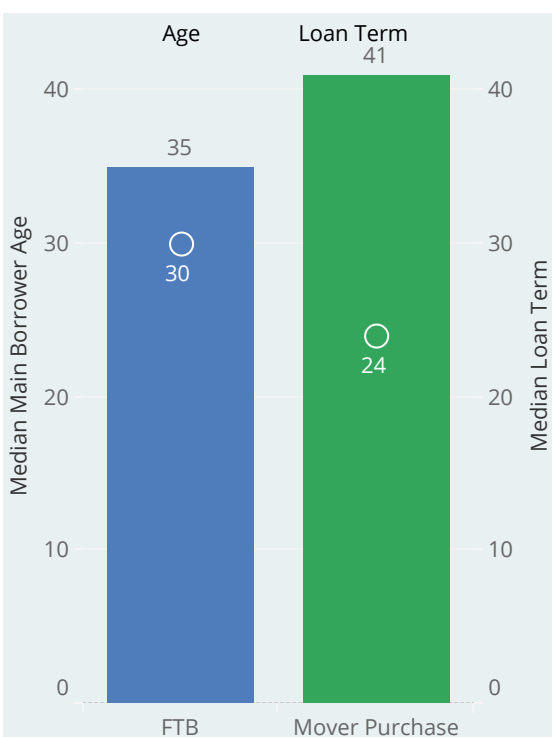


Note: All charts on this page refer to H2 2022.

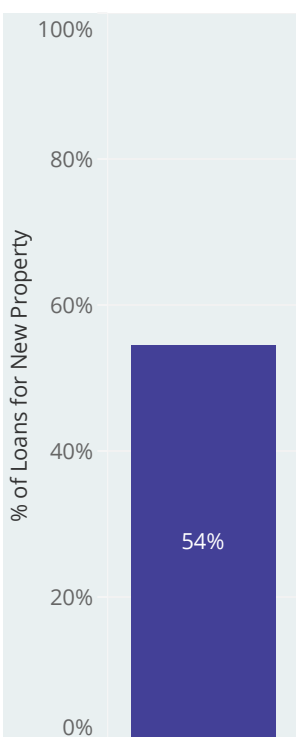
Some 73% of home mortgages in the Midlands region were drawn down by FTBs. Self-builds as a proportion of mortgages secured on new properties fell to 54% in H2 2022 from 61% two years earlier.

The median property value for FTB existing properties rose by 28% between H2 2020 and H2 2022, the highest rate of increase in that segment and double the 14% increase in the national median property value over that period.

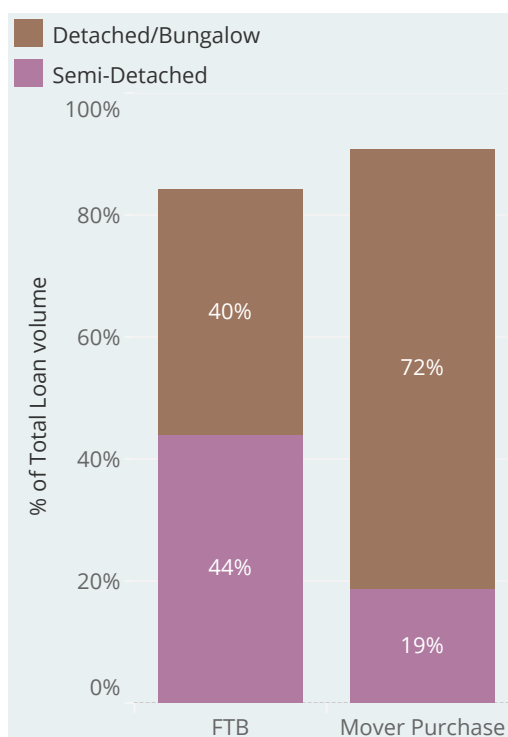
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types

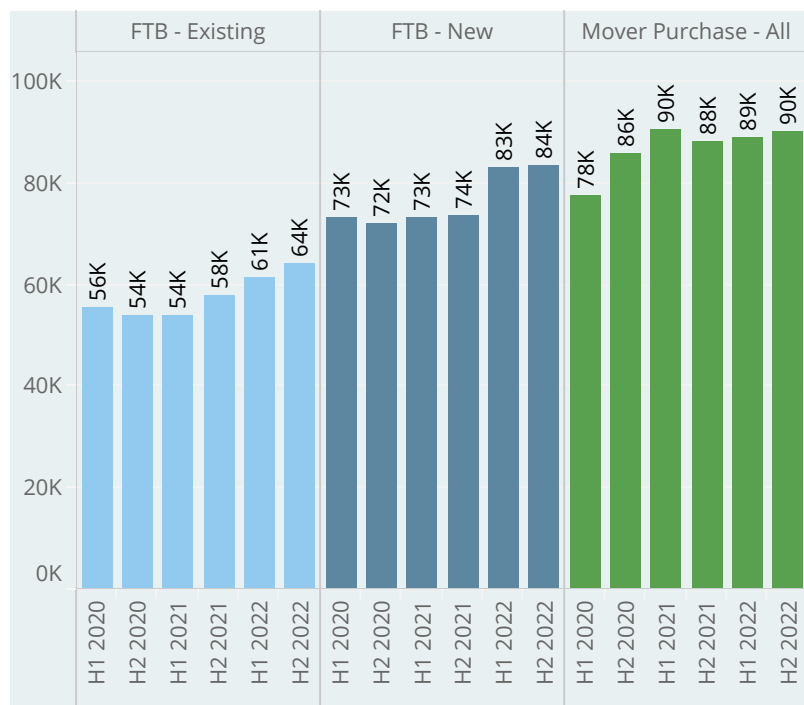




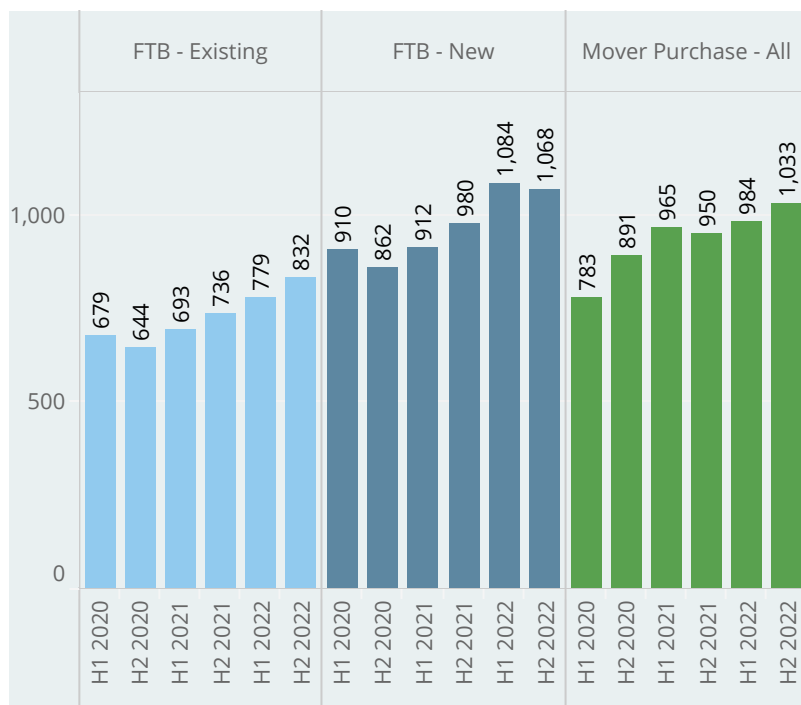
Mortgage Market Profile Report

Midlands

Median Basic Household Income



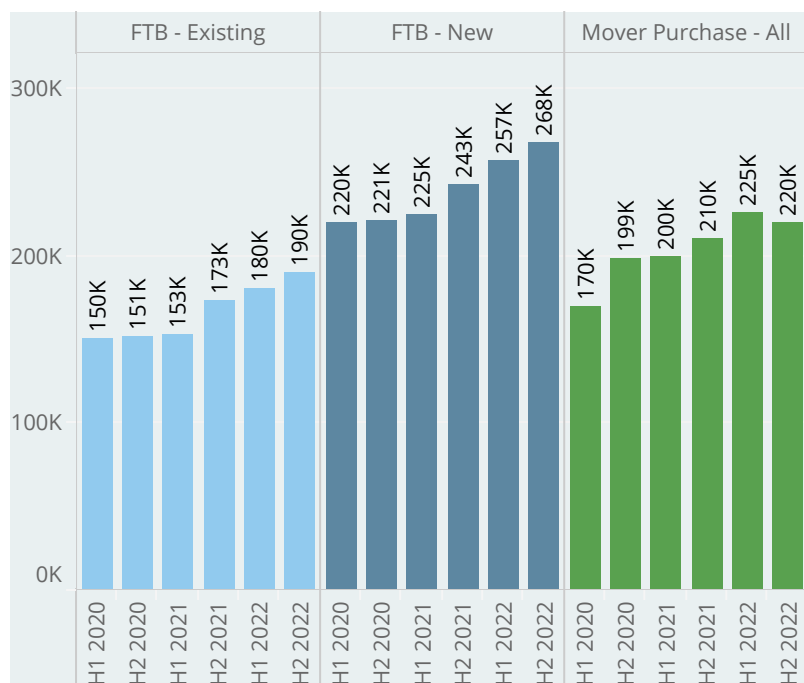
Median Monthly Repayment



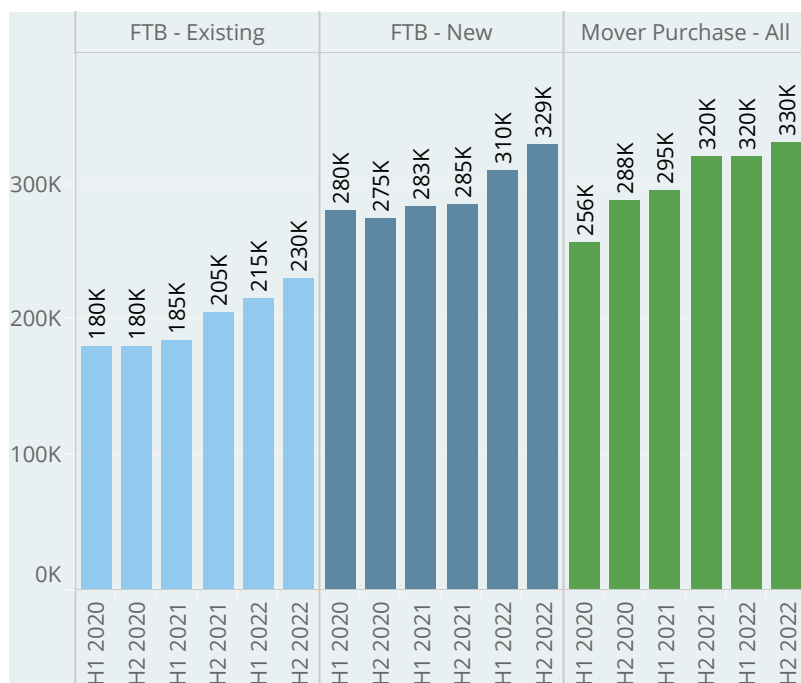
Note: Excluding self-builds

FTB - Existing FTB - New Mover Purchase - All

Median Loan



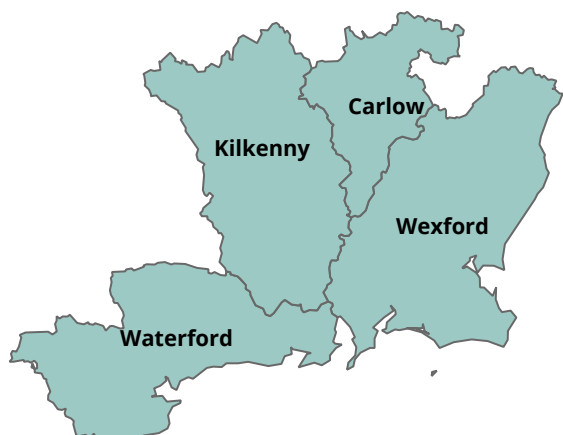
Median Property Value





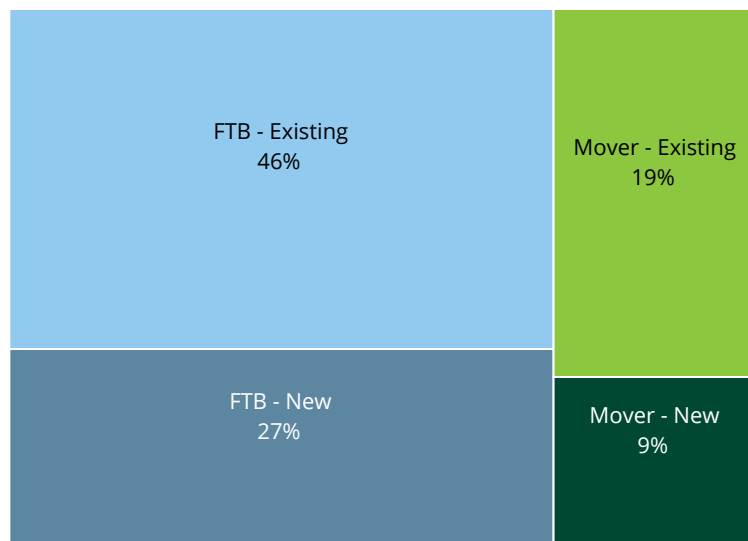
Mortgage Market Profile Report

South East



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Customer Type-Property Status Share

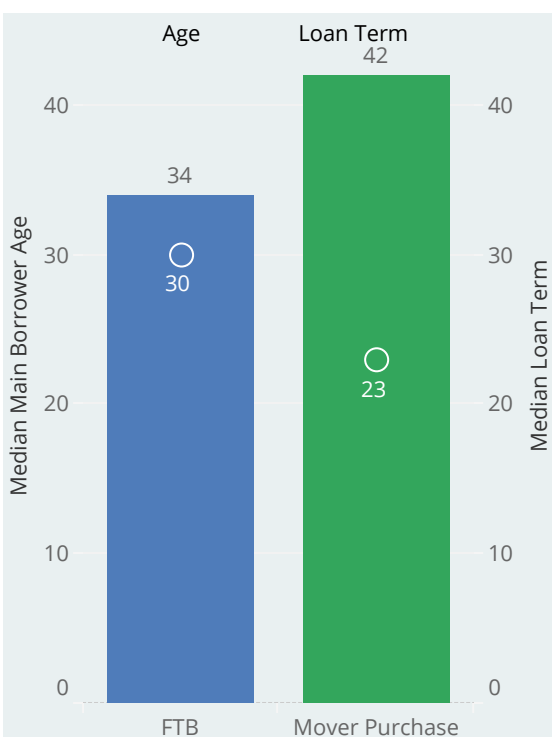


Note: All charts on this page refer to H2 2022.

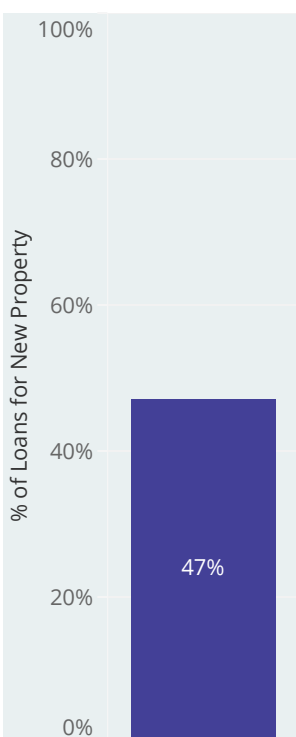
Mover purchasers accounted for less than 19% of home mortgages in the South East region in H2 2022, down from 25% in H2 2020. Some 34% of FTB mortgages on existing properties were detached houses or bungalows in H2 2022, down from 49% two years earlier.

The median mover purchase property value rose by 28% between H1 2020 and H1 2022, the second highest rate of increase in the country, after the West.

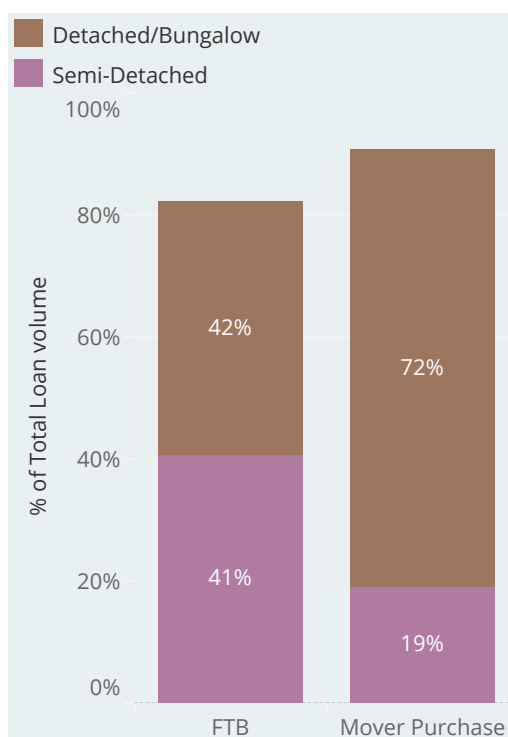
Borrower Age/Loan Term



Self-build % - New



Main Dwelling Types

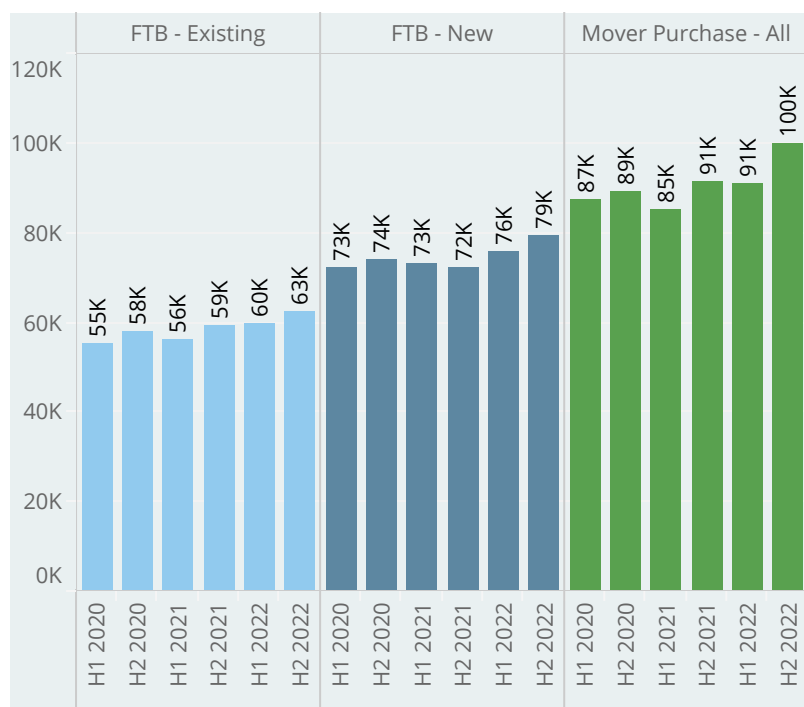




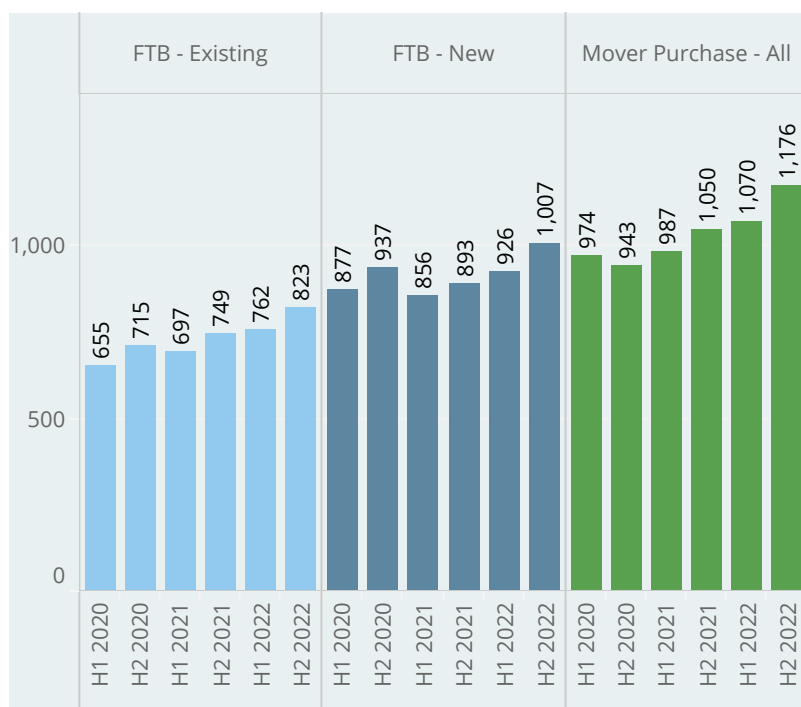
Mortgage Market Profile Report

South East

Median Basic Household Income



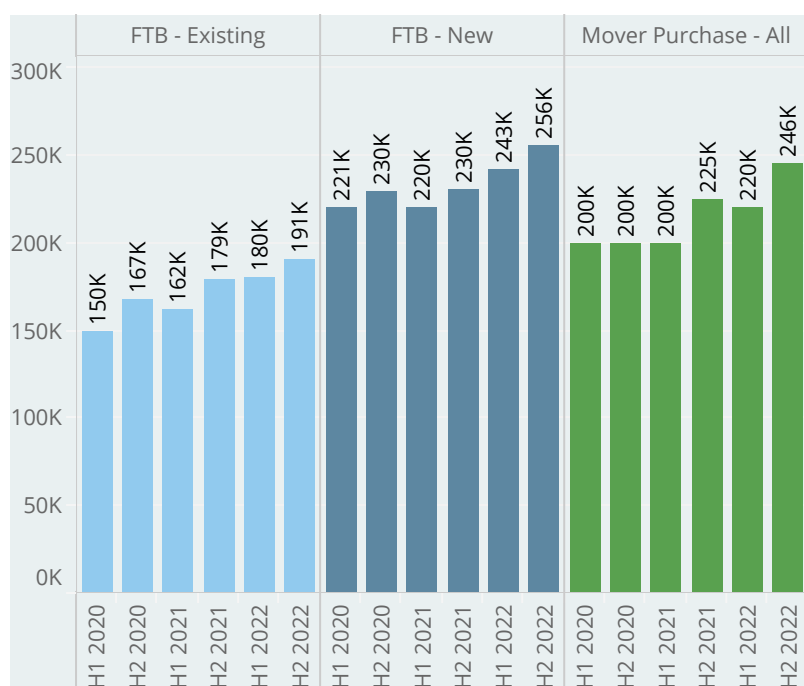
Median Monthly Repayment



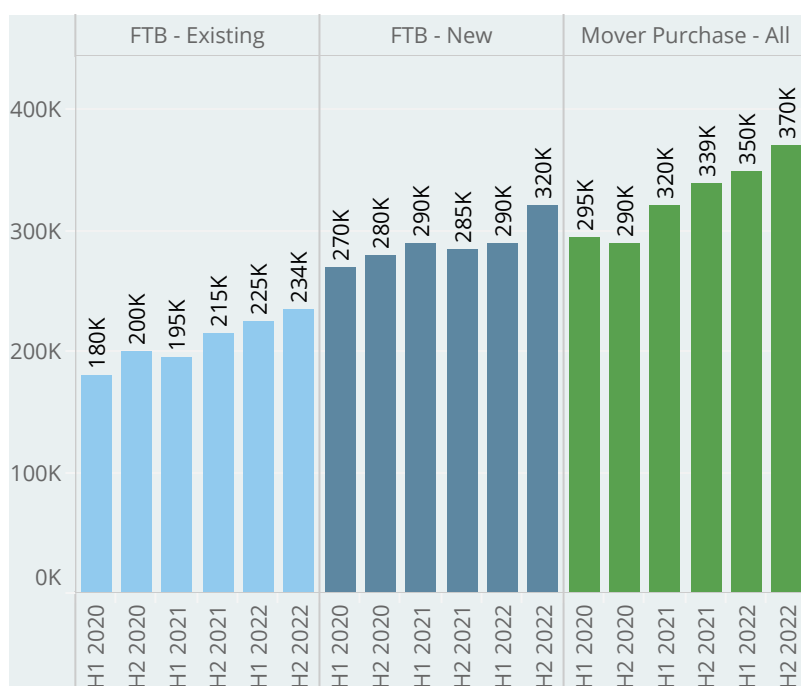
Note: Excluding self-builds

FTB - Existing FTB - New Mover Purchase - All

Median Loan



Median Property Value





Mortgage Market Profile Report

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 participating 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.

Re-mortgage/switching - A mortgage loan which is issued by one lender to refinance an existing mortgage with another lender.

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 (up to H1 2022);
- Ulster Bank (up to H2 2021)



Mortgage Market Profile Report

About the Data

Standard 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 borrower'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. Self-builds are excluded from this calculation. 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 BPF

Banking & Payments Federation Ireland (BPF) 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 BPF by the mortgage lending institutions listed herein. While every effort has been made to ensure the accuracy of information included in this report, BPF 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.

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



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