



BPFI Housing Market Monitor Q1 / 2025

With a commentary by Dr Ali Uğur
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OVERVIEW OF TRENDS

BPFI Housing Market Monitor Q1/2025

Indicator	Latest quarter	One year ago	% change
Dwelling completions	5,938	5,819	2.0%
Dwelling commencements	2,918	11,989	-75.7%
Dwelling planning permissions*	6,890	11,181	-38.4%
Transactions	10,663	10,262	3.9%
Yr/yr change in transaction prices	7.5%	7.4%	
Mortgage approvals	11,307	10,623	6.4%
Mortgage drawdowns	9,190	8,335	10.3%

*Data up to Q4 2024

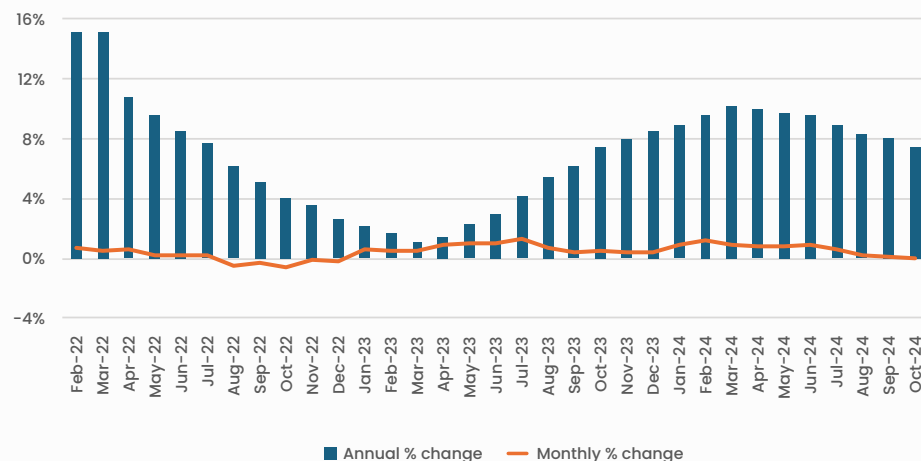


Coordinated national and local efforts will be needed to plan for future housing demand

Ireland's population increased by around 735,000 people between 2014 and 2024. Remarkably during the same period, employment increased by nearly 739,000. This increase in population and employment created significant demand for housing during a period where the supply of housing fell behind demand for it. Housing completions in Ireland declined in 2024 for the first time since 2013, excluding the period between 2020 and 2021, where the pandemic affected activity significantly. According to the latest data from the Central Statistics Office (CSO), more than 5,900 housing units were completed in the first quarter of 2025, a rise of 2% compared with the same period in 2024, mainly driven by the increase in the level of apartment completions which, at nearly 1,800 units, were up by 13% from the first quarter of 2024. Scheme housing as well as single completions were slightly down in the same period. On a rolling 12-months basis, a total of 30,356 units were completed in the twelve months ending March 2025 compared with 31,681 units during the twelve months ending March 2024.

This mismatch between demand for and supply of housing in Ireland has led to significant price increases where average home prices almost doubled between 2014 and 2024. This significant increase in average home prices over the period is not unique to Ireland as Banks for International Settlements (BIS) data show that on average residential property prices doubled in advanced economies between 2010 and 2024. The most recent data from the CSO shows that on average home prices increased by 7.5% in the 12 months to March 2025, down from 8.0% in the year to February 2025 and households paid a median price of €362,500 for a home in the year to March 2025. The increase in the average price of a home peaked in February 2022. The most recent data shows that the rate of annual price increase is slowing down with March 2025 data showing no monthly inflation in the price of an average home.

Changes in Residential Property Price Index



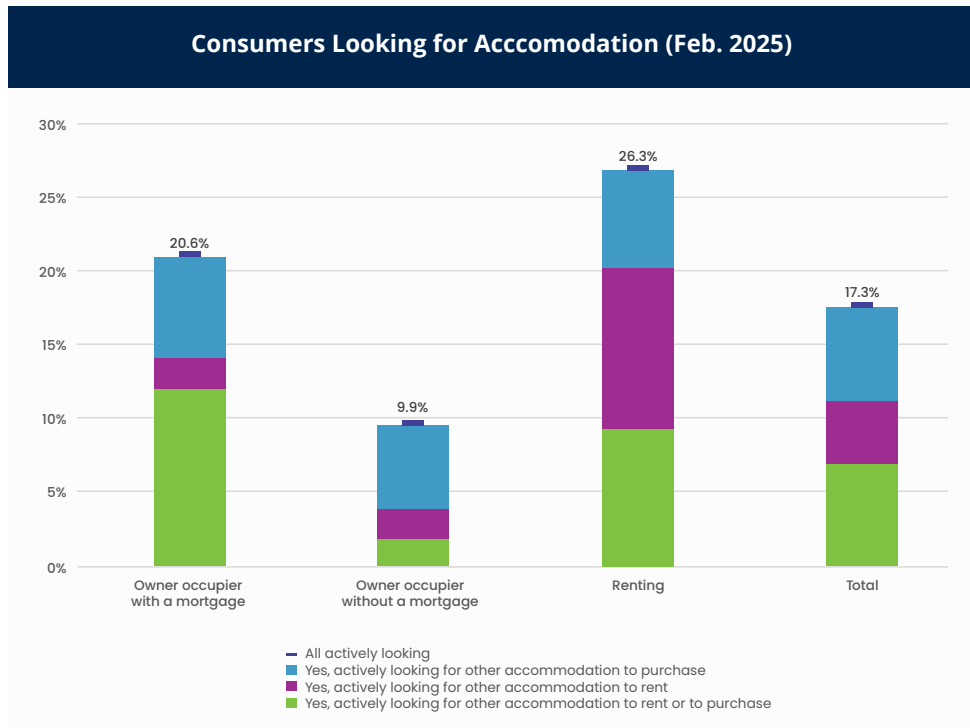
Source: CSO

Almost one in five consumers report looking to rent or buy

According to BPFI analysis of the February 2025 European Central Bank Consumer Expectations Survey (CES) on housing, 31% of households in Ireland owned their property without a mortgage, with 44% owning a property with a mortgage, around 23% renting a house, flat, apartment or a single room and just over 2% stating that they are living in accommodation free of charge.

On average, 80% of consumers stated that they are not looking for other accommodation at the moment whereas around 17% of consumers are looking for accommodation either to purchase or to rent, with only the Netherlands reported a higher proportion at 20.9%. Among those renting, more than a quarter (26.3%) were looking for accommodation, while one in five of those

with a mortgage were actively looking for new accommodation. The strong demand for housing especially among first-time buyers (FTBs) is also evident in the fact that 17,144 applications were received by the Revenue Commissioners for Help to Buy in the first four months of this year, almost 5,000 more than in the same period of 2024.



Source: BPFI analysis of ECB CES survey data (February 2025)

On the supply side, only one in ten (10.5%) owner occupiers said they were rather or very likely to sell, similar to levels reported in Belgium, Germany and Portugal.

About half of 2024 housing starts are likely to finish this year

Current indicators in terms of commencements and planning permissions, show a mixed picture in terms of housing output in the medium term. After a significant rise in commencements in 2024, to just over 69,000 units mainly due to waivers on development levy and water connections charges, commencement numbers for the first 4 months of 2025 are discouraging at 3,945 units, around 40% of the levels observed in 2023 and similar to levels seen back in 2016. A decline in the total number of units commencing was expected in 2025 after a strong outturn 2024 but the trend shows that this decline is likely to be sharper than expected. We expect at most, half of all units that commenced in 2024 to be completed in 2025, given that nearly 48% of all units that commenced in 2024 were apartments.

In terms of planning permissions, 73,626 units were granted permission in 2023 and 2024 in total, which is not encouraging for future years potential housing output. Planning permission declined by over 21% between 2023 and 2024, with permissions issued for apartments dropping by more than 38% during the period.

In terms of mortgage activity, there were 9,190 mortgage drawdowns in the first quarter of 2025 valued at €2.8 billion. Mortgage drawdown activity increased in volume terms by 10.3% year-on year and 19.1% in value terms over the same period. All mortgage customer segments grew year on year with FTB and mover purchase mortgage drawdown values reaching their highest Q1 levels since 2007 and 2008, respectively. FTBs remained the single largest segment by volume and value accounting for around 57.8% by volume and 59.1% by value of overall mortgage drawdowns. There has been a significant pick up in switching activity, albeit from a lower base, where volumes and values increased by 19% and 31%, respectively on an annual basis, accounting for just over 12% of all mortgage drawdowns in the quarter, the highest share since the first quarter of 2023.

In terms of approvals, a total of 4,705 mortgages valued at €1.5 billion were approved in April 2025, a 6% increase in volumes and 14% in terms of values compared with the same period last year. This brought the total value of approvals to just over €16 billion in the twelve months ending April 2025, with around 52,280 mortgages approved during the same period. In annualised terms, 31,853 FTB mortgages valued at almost €10 billion were approved in the twelve months ending April 2025, the highest activity levels since the data series began in 2011. Switching activity accounted for around 12% of mortgage approvals, in volume terms, in April 2025 compared with around 32% at its peak in October 2022.

Conclusion

The country has seen substantial population and employment growth in the past decade. With that success has come a sharp increase in housing demand. We expect the housing demand to continue mainly driven by demographic trends, and mortgage demand by especially FTBs due to the more positive outlook on incomes with inflation declining and earnings increasing, with gross average earnings surpassing €1,000 per week for the first time since the CSO

data series began in 2008. On the supply side, there is significant uncertainty in terms of housing output in the medium term given the drop in the planning permissions granted recently. The recent government Bill enabling an extension of the duration of permissions, of up to three years, for housing developments that are nearing the end of their duration should help to increase planning permission numbers in the short term. However, the demand for housing will not be met in the short term and it will only be satisfied in the medium term with a coordinated and sustained effort at national and local levels to plan for our future housing needs. In particular, following the approval of the Revised National Planning Framework, local authorities will need to update their current development plans as soon as possible so that updated housing requirements, which will be published soon, can be incorporated into the planning system for a sustainable pipeline of potential output in the medium term.

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New dwellings completed

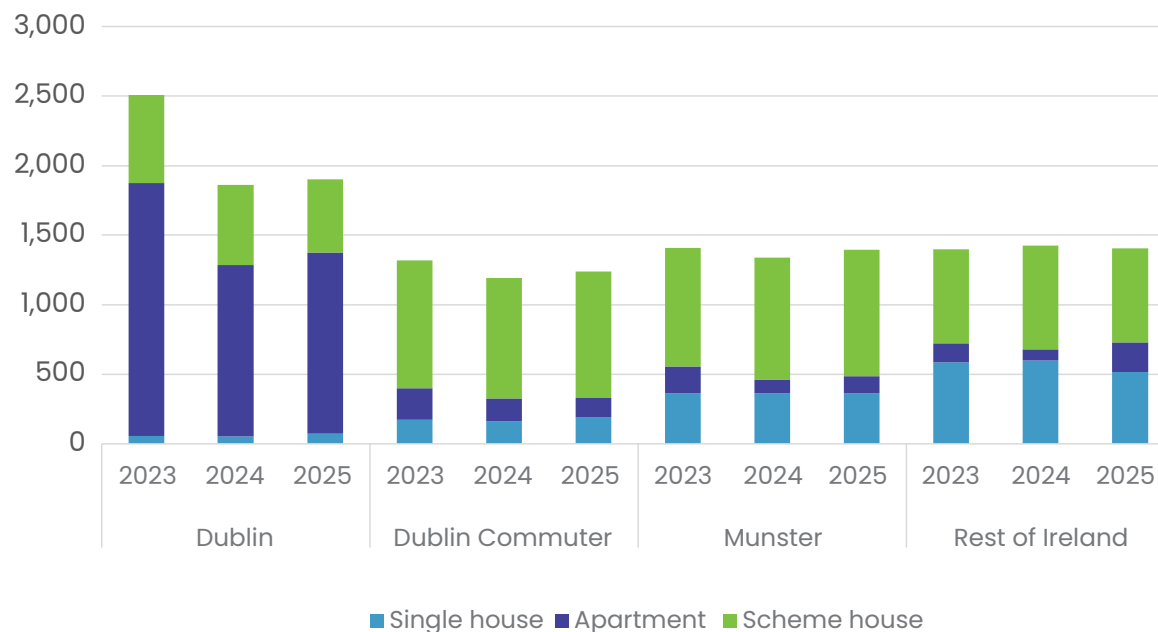
Almost 6,000 new dwellings were completed in Q1 2025, according to the Central Statistics Office (CSO), 2% more than in Q1 2024. In annualised terms, there were 30,356 housing completions in the twelve months ending March 2025.

Most of the year-on-year increase came from apartment building with 1,781 apartments completed in the quarter, an increase of 13.4% on Q1 2024. Apartments accounted for about one third of completions in the twelve months ending March 2025, while 49.3% were scheme houses.

Dublin accounted for 32% of all completions in Q1 2025 and 73% of apartment completions. Munster accounted for 23.6% of housing completions, its highest Q1 share since 2021, and had the largest share of scheme houses completed. It accounted for more than 30% (30.2%) of scheme houses for the first time since Q2 2013.

Annualised housing completions in Cork increased to 3,567, the highest level since 2008 (based on historical data based on ESB connections).

Note: Q1 only. Source: CSO



New dwellings commenced

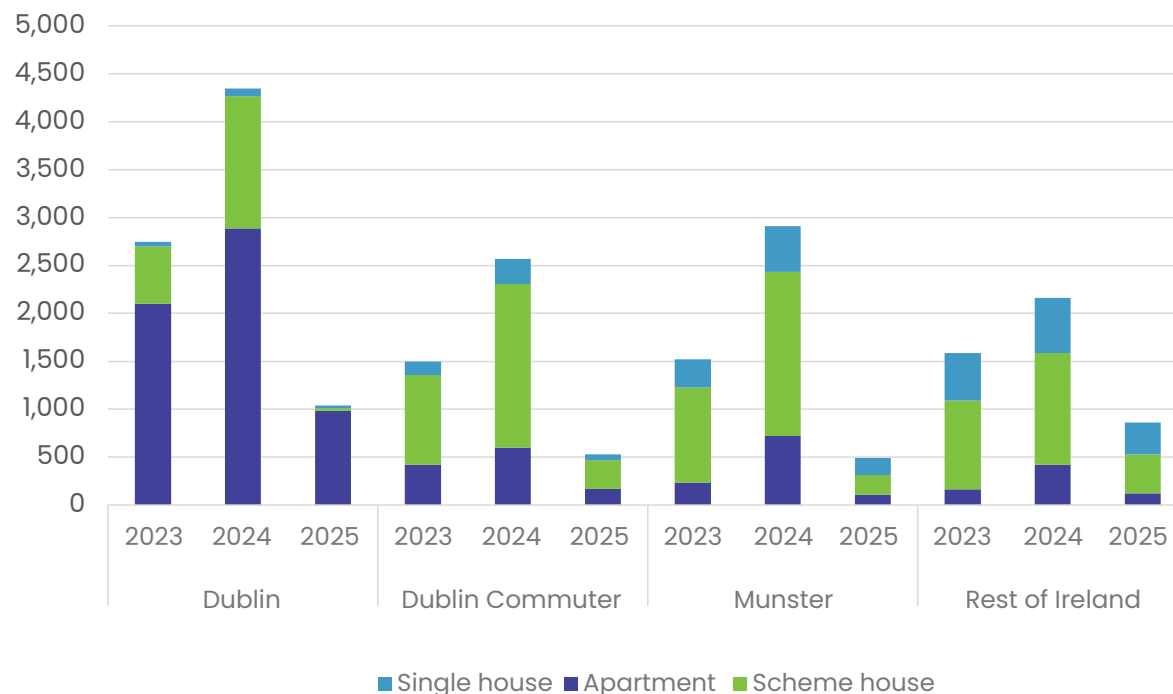
Fewer than 3,000 (2,918) housing units were commenced in Q1 2025, the lowest level since Q1 2021. There were almost 60,000 housing starts in the twelve months ending March 2025, but the number of commencements fell from 18,700 in April 2024 to 1,027 a year later.

Dublin accounted for 35.5% of housing starts in Q1 2025 and 36.1% of commencements in the twelve months ending March 2025. More than 21,600 dwellings were commenced in Dublin in the twelve months ending March 2025, 75.1% of which were apartments. During the same period, 62.4% of Dublin Commuter (Kildare, Louth, Meath and Wicklow) commencements were scheme houses.

Cork accounted for 12.3% of housing starts in the twelve months ending March 2025.

Nationally, apartments and scheme houses accounted for 44.3% and 46.5%, respectively, of housing starts in the twelve months ending March 2025.

Note: Q1 only. Source: Department of Housing



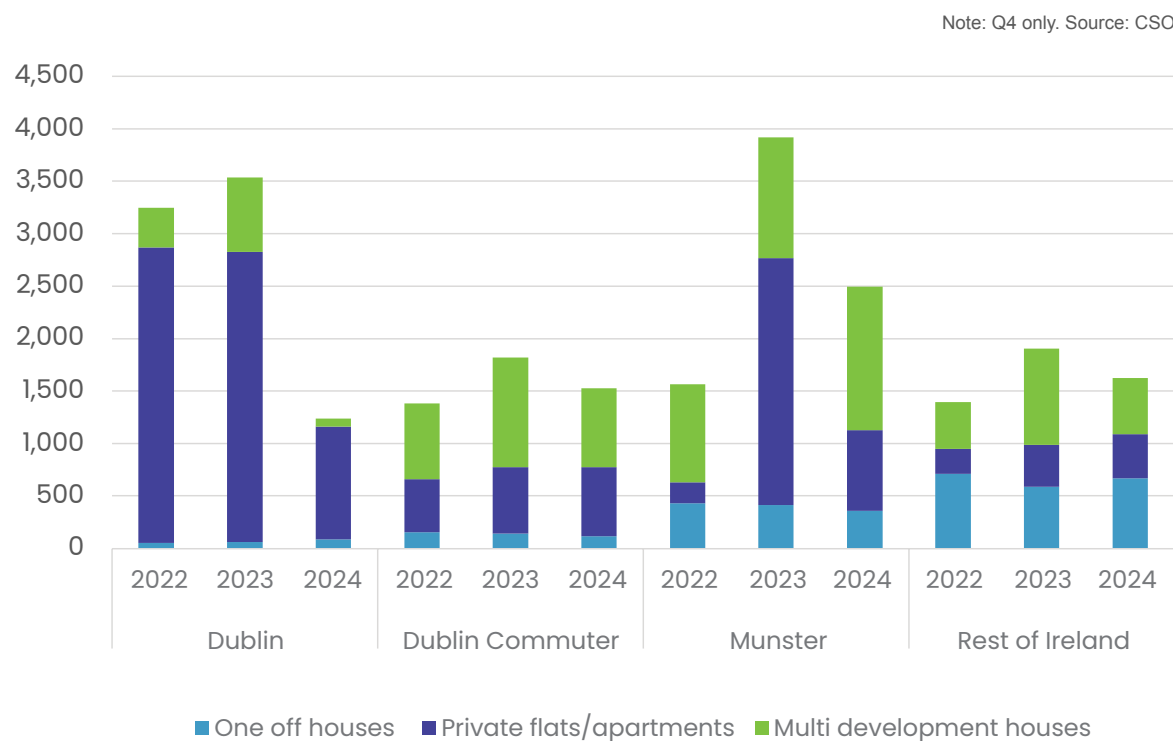
New dwelling planning permissions

The number of residential units granted planning permission fell by 21% year on year in 2024 to 32,401. The number of units permitted in Q4 2024 fell by 38.4% year on year to 6,890.

More than 2,900 apartments were granted planning permission in Q4 2024, about 42.4% of all units and 52.5% less than in Q4 2023. Dublin accounted of 36.7% of apartments nationwide.

The Dublin Commuter region accounted for 22.2% of units granted planning permission. The number of dwelling units approved in Munster accounted for 36.2% of permissions granted in Q4 2024.

Dublin City and Cork County each accounted for almost 900 units granted planning permissions.



Transaction prices

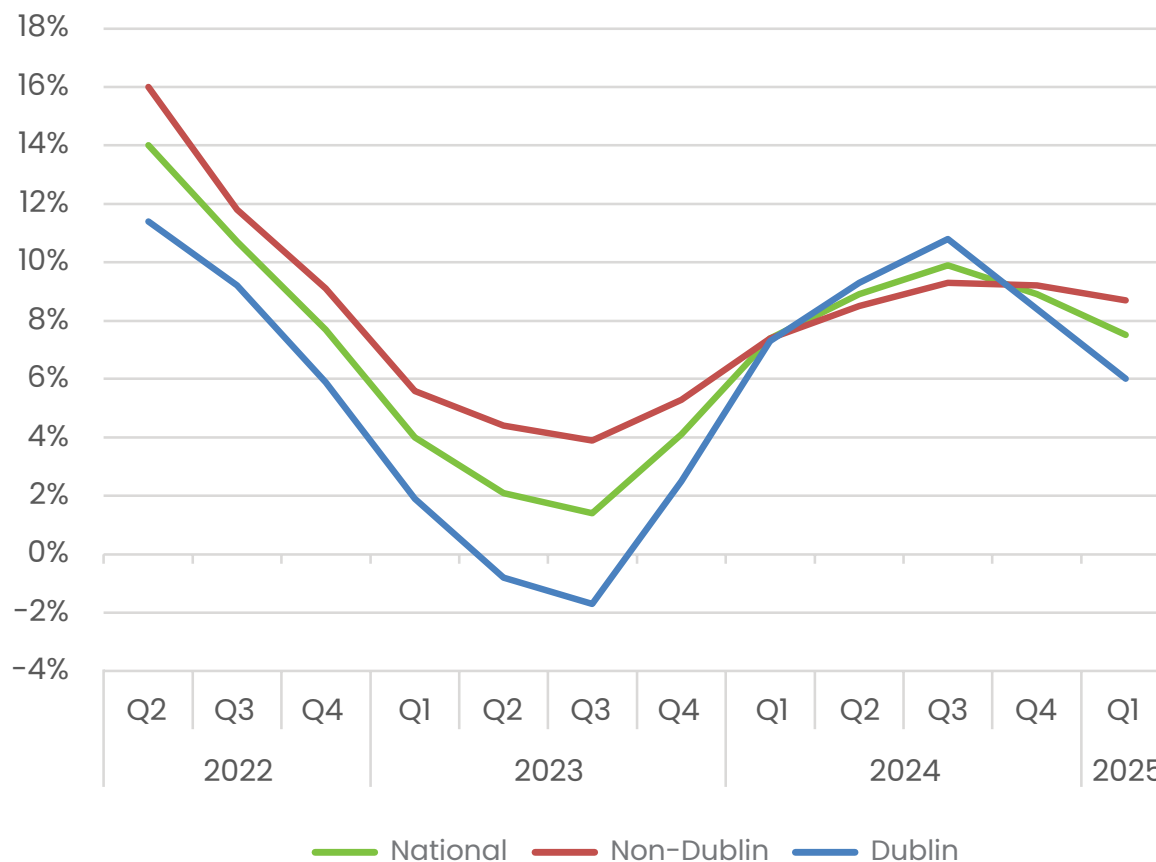
Residential property price inflation decelerated slightly in Q1 2025, with prices up by 7.5% in the twelve months to March 2025, compared with an increase of 8.0% in the twelve months to February 2025.

Prices for new dwellings were up 4.1% year on year, while prices of existing dwellings were 9.1% higher.

Residential property price inflation outside Dublin rose by 8.7% year on year, with house prices up by 9.1%. House prices in Dublin increased by 5.9% in the 12 months to March 2025, while apartment prices in the county increased by 6.2% year on year.

Prices vary significantly by location, type and status. At €440,000, the median new dwelling price was €95,000 higher than the median existing dwelling price in March 2025 (based on filings of household purchases at market prices). Eight local government areas (all of Dublin, Kildare, Meath and Wicklow, as well as Galway City) had median residential property prices at or above the national median price of about €375,000 in March 2025. By contrast, Donegal, Leitrim, Longford and Roscommon had median prices of less than €200,000.

Source: CSO

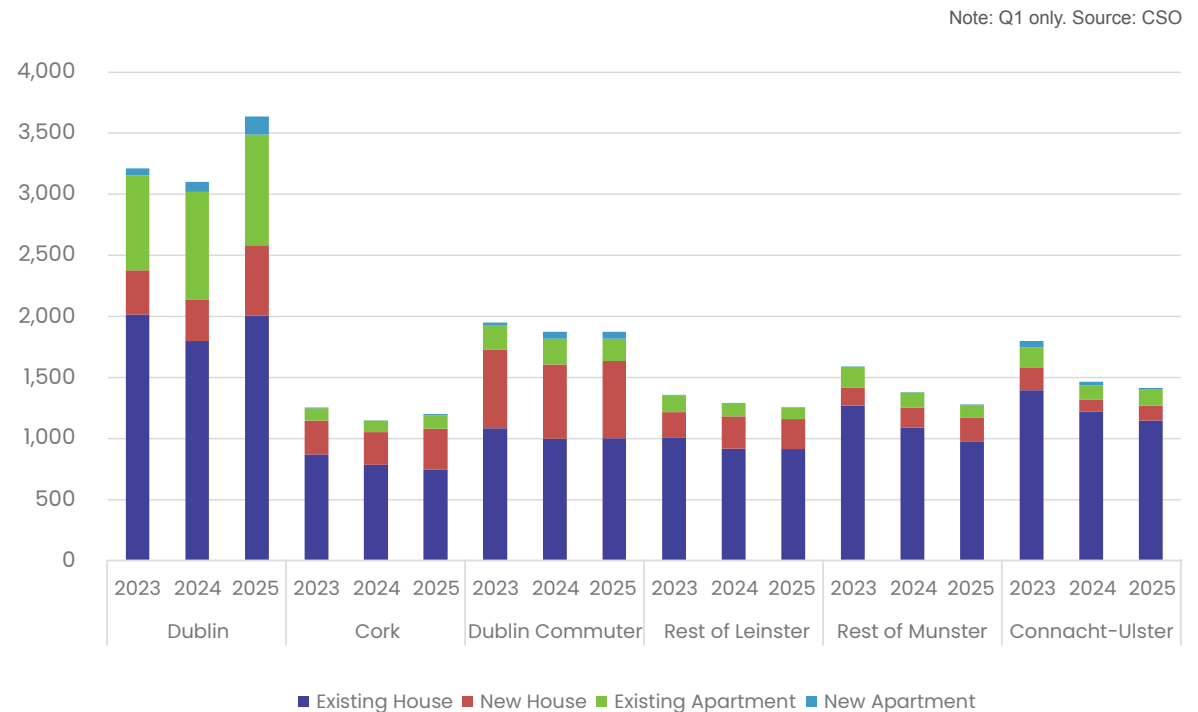


Household market purchases of residential property increased by 3.9% year on year to 10,663 in Q1 2025. On an annualised basis, there were 49,176 purchases in the twelve months ending March 2025, the highest level since the twelve months ending July 2024.

Dublin was the largest housing market in Q1 2025 with 3,635 household market purchases, 17.2% more than in Q1 2024 and giving it a 34.1% share of the national market. Dublin accounted for almost 60% (59.5%) of apartment sales. In annualised terms, there were 16,075 household market purchases in Dublin in the twelve months ending March 2025, the most since the data series started in 2010.

In terms of new property types and dwelling status, existing houses accounted for 63.2% of sales in Q1 2025, while new house sales increased by 21.2% year on year to 2,100 or 19.7% of the total.

Dublin had the largest share of each property type-status, except new houses, in which the Dublin Commuter region accounted for 30.1% of sales. Cork and Kildare accounted for 11.2% and 6% of housing sales in Q1 2025.



**This data is based on stamp duty filings with the Revenue Commissioners reported by the CSO for purchases of residential properties by households at market prices. It excludes properties purchased at non-market prices and by non-household buyers.*

Mortgage Approvals

Mortgage approval volumes increased by 6.4% year on year in Q1 2025 to about 11,307.

First-time buyer (FTB) approval volumes rose by 4% year on year to 6,785, the highest Q1 level since the data series began in 2011. Mover purchase volumes increased by 1.4% to 2,211 over the same period. Re-mortgage or switching approvals increased by 29.8% year on year to 1,402.

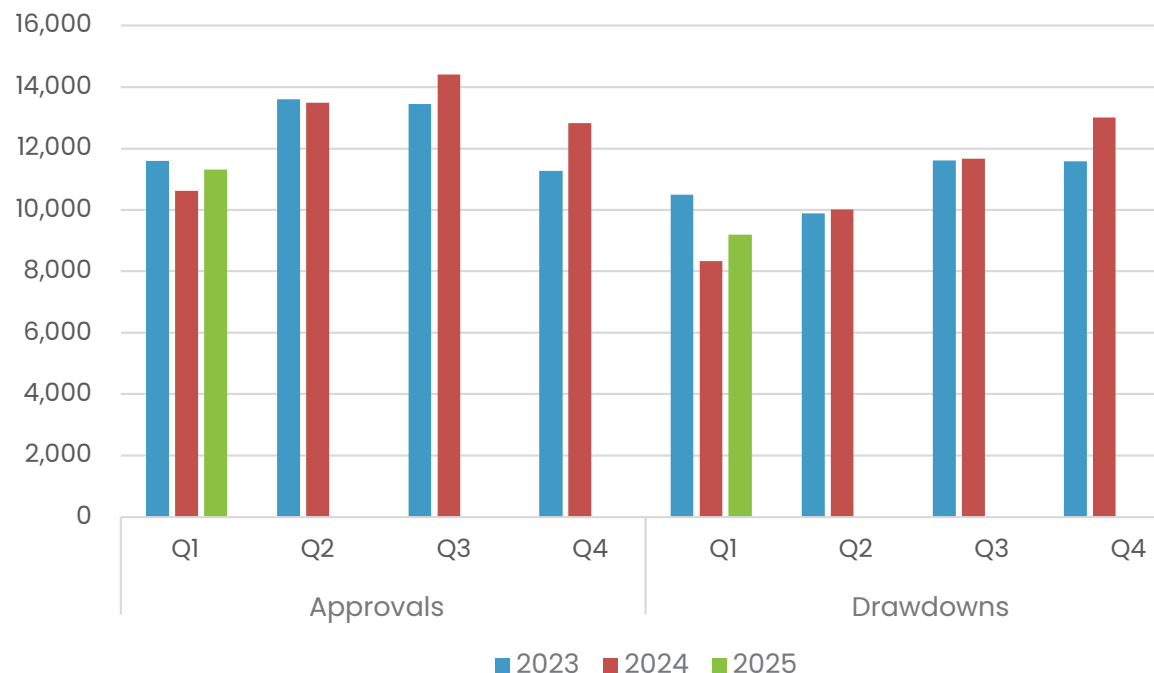
Mortgage Drawdowns

Mortgage drawdown volumes increased by 10.3% year on year to 9,190 in Q1 2025.

FTBs drew down 5,308 mortgages, up by 8.3% year on year. Mover purchase volumes increased by 9.2% year on year to 1,949. FTBs were the single largest segment by volume (57.8%).

Re-mortgage or switching drawdown volumes increased by 18.7% year on year to 1,166.

Source: BPFI



The information presented here is based on a range of publicly available reports and datasets and collated by Banking & Payments Federation of Ireland. It is intended to bring together the range of housing and mortgage market data available and to constructively inform on-going analysis and assessment of the housing and mortgage market.

Figures are presented by quarter and by region, where possible. Unless otherwise specified, quantities given for quarters (and/or regions) are totals, while prices are averages for the last month of the quarter, unless otherwise specified. The sources used for compiling the report are as follows:

- the Department of Housing, Community & Local Government [dwelling commencements]
- the Central Statistics Office [new dwelling completions, planning permissions, number of housing sales transactions, residential property price indices]
- Banking & Payments Federation of Ireland [mortgage approvals, drawdowns]

For information on the data sources and analysis, please contact Anthony O'Brien, Head of Sector Research & Analysis, BPFI





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