Banking & Payments Federation Ireland

BPFI Housing Market Monitor Q2 / 2026

With a commentary by Dr Ali Uğur
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Banking & Payments Federation Ireland

OVERVIEW OF TRENDS

Indicator	Latest quarter	One year ago	% change
Dwelling completions	8,823	9,152	-3.6%
Dwelling commencements	7,538	3,453	118.3%
Dwelling planning permissions	8,092	8,177	-1.0%
Transactions	11,660	11,601	0.5%
Yr/yr change in transaction prices	5.6%	7.9%	-
Mortgage approvals	12,674	11,906	6.5%
Mortgage drawdowns	9,094	8,650	5.1%

Housing output is increasing but delivery bottlenecks must be addressed to achieve targets

After a strong start to the year, residential construction activity moderated in the second quarter, with housing completions falling by approximately 4% compared with Q2 2025. However, according to the latest Central Statistics Office (CSO) data, a total of 16,679 housing units were completed in the first half of 2026, representing an 11% increase on the 15,059 units completed during the same period in 2025. The slowdown in Q2 was primarily driven by weaker apartment and single-dwelling output, which declined by 12% and 4% respectively. Completions in Dublin fell by 16% year-on-year during the quarter, although the capital still accounted for more than one-third (36%) of all housing completions nationally.

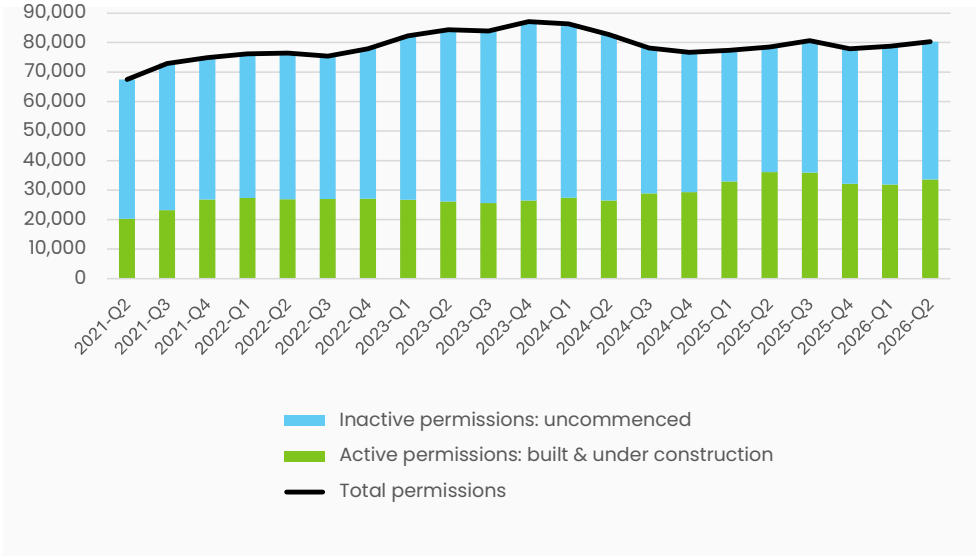
Looking ahead, indicators of future supply remain mixed. A total of 18,974 housing units were commenced during the first seven months of 2026, almost two-and-a-half times the level recorded during the same period in 2025. As a result, total commencements reached 27,847 units in the 12 months to July 2026. However, it should be noted that commencement activity in 2025 was among the lowest seen in the past decade. While commencement activity has recovered from recent lows, it remains significantly below the levels recorded in previous years, when commencements exceeded 50,000 units in 2024 and 40,500 units in 2025 over the equivalent 12-month period.

Planning permissions, a key indicator of future housing supply, continue to signal challenges further up the delivery pipeline. The latest CSO data show that 8,092 dwelling units were granted planning permission in Q1 2026, down marginally by 1% compared with the same period in 2025. Apartment permissions declined by 2.7% year-on-year, while house approvals were broadly unchanged. Planning activity was particularly weak in Dublin, where permissions fell by 34%, reflecting significant declines in both apartment and house approvals.

Large stock of inactive planning permissions, especially in Dublin

Additional data from the Dublin Housing Task Force highlight the extent of the disconnect between planning approvals and housing delivery in the capital. While there were 80,285 permitted residential units across the four Dublin local authorities at the end of Q2 2026, together with a further 15,695 units awaiting planning decisions, only 33,623 units, or 41.9% of all permitted units, had been activated. Of these, 10,097 units had been completed and 23,526 were under construction. The majority of inactive permissions relate to apartment developments, with more than 41,000 approved apartment units remaining not commenced.

Total Permisssions by Status: Dublin



Source: Department of Housing, Local Government and Heritage

COMMENTARY

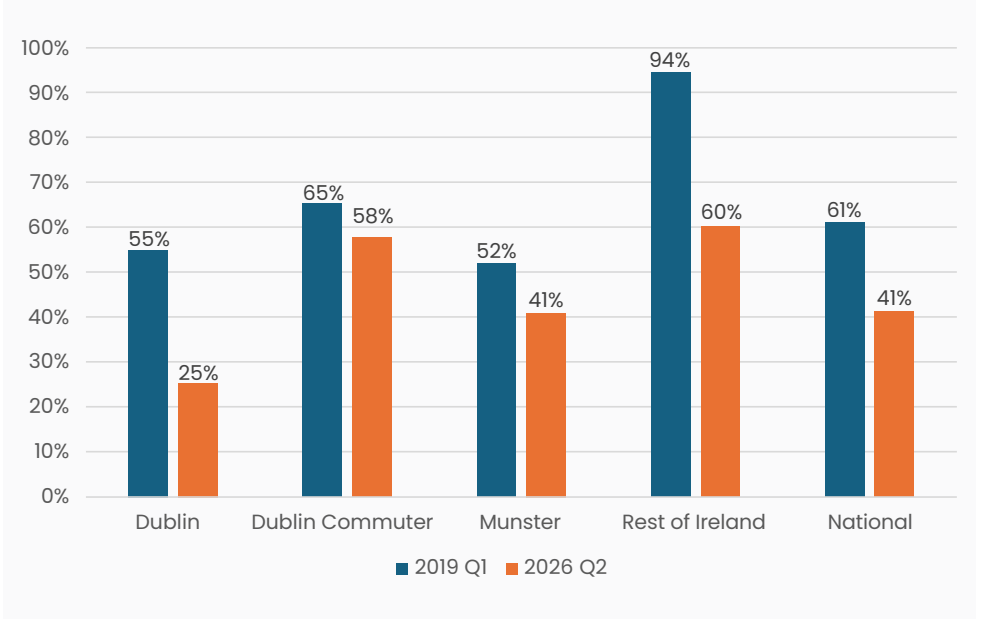
The latest Banking & Payments Federation Ireland (BPFI) figures show that 21,132 mortgages were drawn down in the first half of 2026, with a total value of €6.8 billion. Compared with the same period in 2025, drawdown volumes increased by 5%, while values rose by 10%. Growth was recorded across all segments of the mortgage market, with activity strengthening particularly during the second quarter of the year. First-time buyers (FTBs) continued to drive the market, with the value of FTB drawdowns increasing by 10.5% year-on-year to €4.1 billion, the highest first-half value recorded since the series began in 2003. FTBs remained the largest segment by both volume and value, while switching activity continued to recover strongly, with drawdown volumes rising by 13.6% and values by 24.8% in Q2 2026 compared with the same quarter a year earlier.

Mortgage approvals remained on an upward trajectory during 2026. In the first seven months of the year, 33,472 mortgages were approved, representing a 7% increase in volume compared with the same period in 2025. The value of approvals reached almost €11 billion, up approximately 10% year-on-year. On a rolling basis, mortgage approvals totalled 55,307 in the twelve months to July 2026, with a combined value of €17.9 billion. Compared with the twelve months to June 2026, this represents a further increase of 1.4% in volume and 1.5% in value. FTBs continued to underpin market activity, accounting for more than 60% of all approvals during the first seven months of the year and reinforcing their central role in supporting housing demand.

Increasing housing output yet to drive sales and mortgage growth

In recent years, a notable feature of the Irish housing market has been the growing role of non-household purchasers in the residential property market. Despite a significant increase in residential construction activity, a substantial proportion of new housing output has been acquired by institutional investors, local authorities, approved housing bodies (AHBs) and other non-household buyers. This has coincided with a sharp increase in the number of private and AHB tenancies, which increased by about 52,000 or 20% in the three years up to June 2026, according to data from the Residential Tenancies Board.

Home Purchases as % Housing Completions - Annualised



Source: Central Statistics Office

Note: Housing completions exclude one-off houses. Home purchases are household purchases of residential property at market prices.

As a result, the share of newly completed homes available for sale has declined. New home sales to households as a proportion of completions (excluding one-off houses) have fallen across every region of the country, with the national ratio declining from 61% in the twelve months ending Q1 2019 to 41% in the twelve months ending Q2 2026. The trend has been particularly pronounced in Dublin, where the ratio fell from 55% to just 25% over the same period.

COMMENTARY

Looking ahead, continued growth in housing output should support increased mortgage lending activity, particularly among FTBs. However, the extent of this increase will depend not only on the volume of new homes delivered but how many of those homes will be available for sale. As housing completions rise and more new developments comes to the open market, mortgage supply, especially from FTBs, is likely to strengthen further.

There have been a number of positive policy developments in recent years aimed at supporting housing delivery, including planning reform, measures to accelerate the planning and judicial review process, targeted supports for apartment viability, and initiatives to unlock delayed housing developments. On a rolling annual basis, housing output is running at approximately 37,800 units, and we expect total completions to exceed 40,000 units for 2026 as a whole.

While planning permissions have averaged approximately 37,000 units annually over the past five years, this remains well below the level required to support the sustained delivery of 50,000 or more homes per annum. However, the evidence increasingly suggests that the principal constraint is not simply the volume of planning permissions being granted, but the rate at which existing permissions are converted into active construction and completed homes. The large stock of uncommenced but approved developments, particularly apartment schemes in Dublin, points to growing challenges around project viability, infrastructure provision, and construction capacity. Addressing these bottlenecks will be critical if Ireland is to translate housing targets into actual housing delivery.

Dr Ali Uğur
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HOUSING SUPPLY

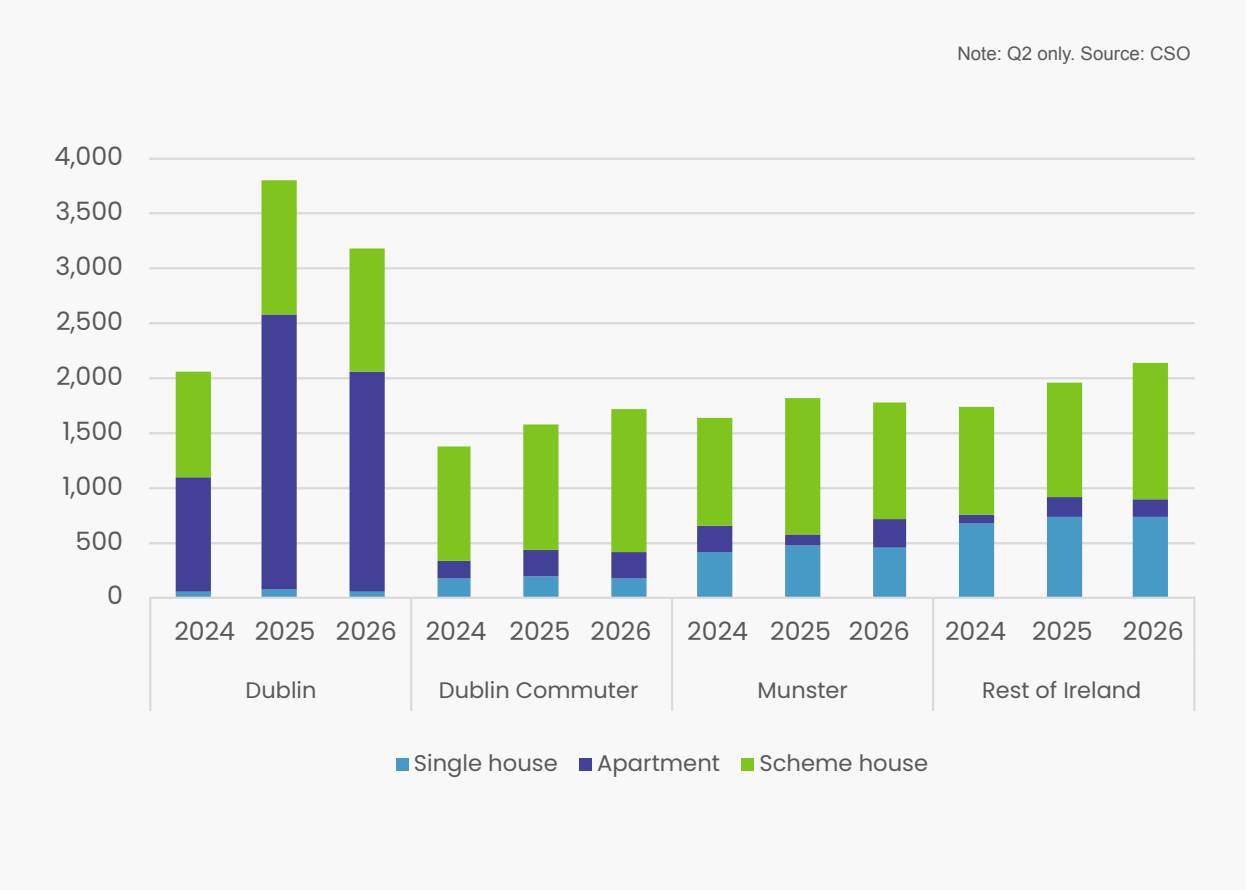
New dwellings completed

More than 8,800 new dwellings were completed in Q2 2026, according to the Central Statistics Office (CSO), 3.6% fewer than in Q2 2025.

Dublin accounted for more than one third (36%) of all housing completions and about three quarters (75.5%) of apartment completions in Q2 2026. The number of housing completions in Dublin fell by 16.4% year on year to 3,180 while the number of apartments completed nationwide fell by 12.2% to 2,658.

Scheme house completions rose by 2% year on year to 4,738 in Q2 2026. They accounted for more than half (53.7%) completions in the quarter, the highest share since Q2 2024. Some 75.3% of completions in the Dublin Commuter region (Louth, Meath, Kildare and Wicklow) were scheme houses.

On an annualised basis, 37,835 new dwellings were completed in the twelve months ending June 2026.



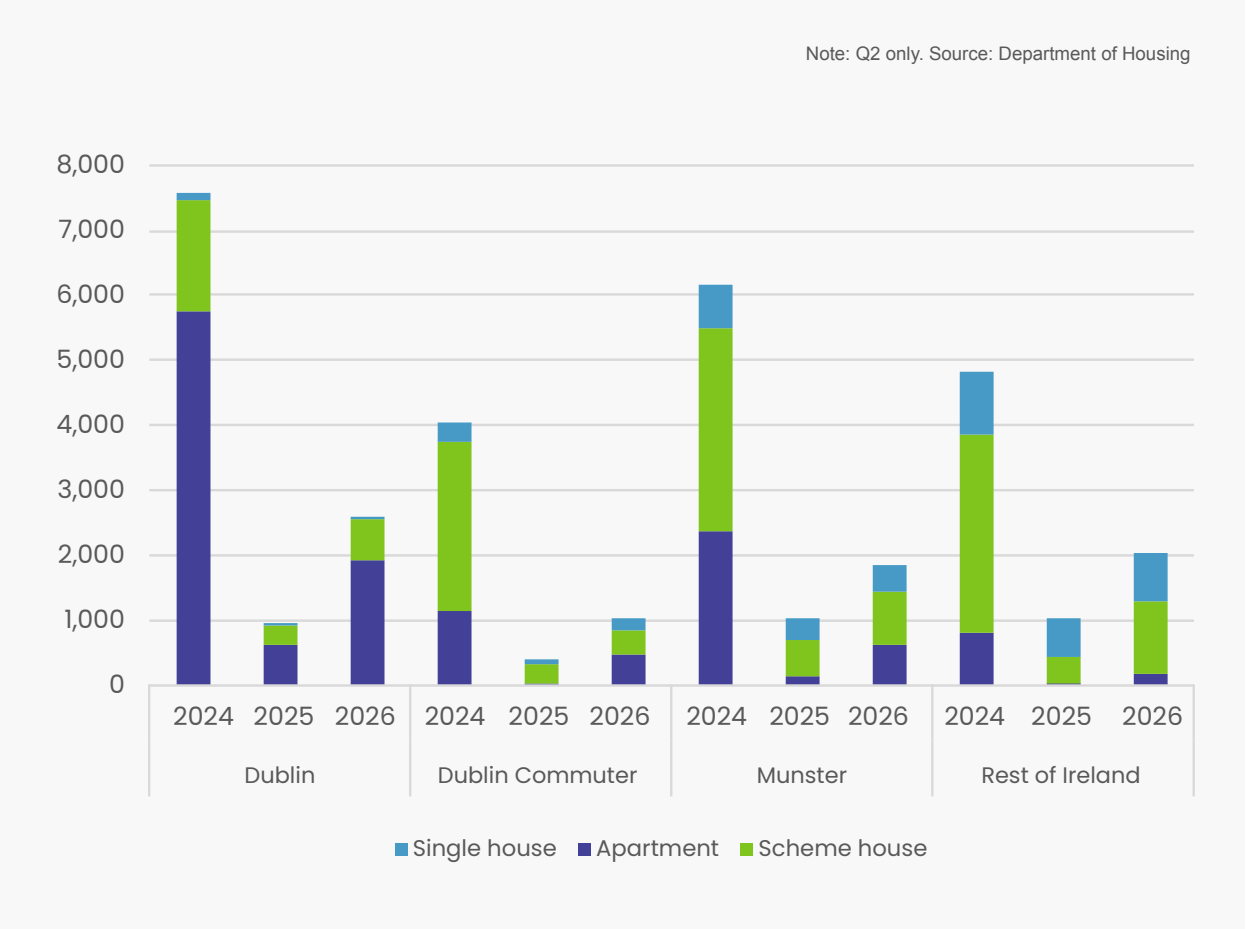
HOUSING SUPPLY

New dwellings commenced

More than 7,500 housing units were commenced in Q2 2026, more than double (up 118.3%) the number in Q2 2025. Commencements trends have been distorted in recent years by the surge and subsequent sharp drop in activity associated with the ending of development levy waivers in 2024.

Dublin accounted for 34.5% of all housing starts in Q2 2026 and 59.9% of apartment commencements. Cork and Meath accounted for 11.4% and 6.8% of housing starts, respectively.

On an annualised basis, there were 27,847 housing starts in the twelve months ending July 2026, close to the levels in the twelve months ending July 2021-23 (which ranged between 28,450 and 28,974).



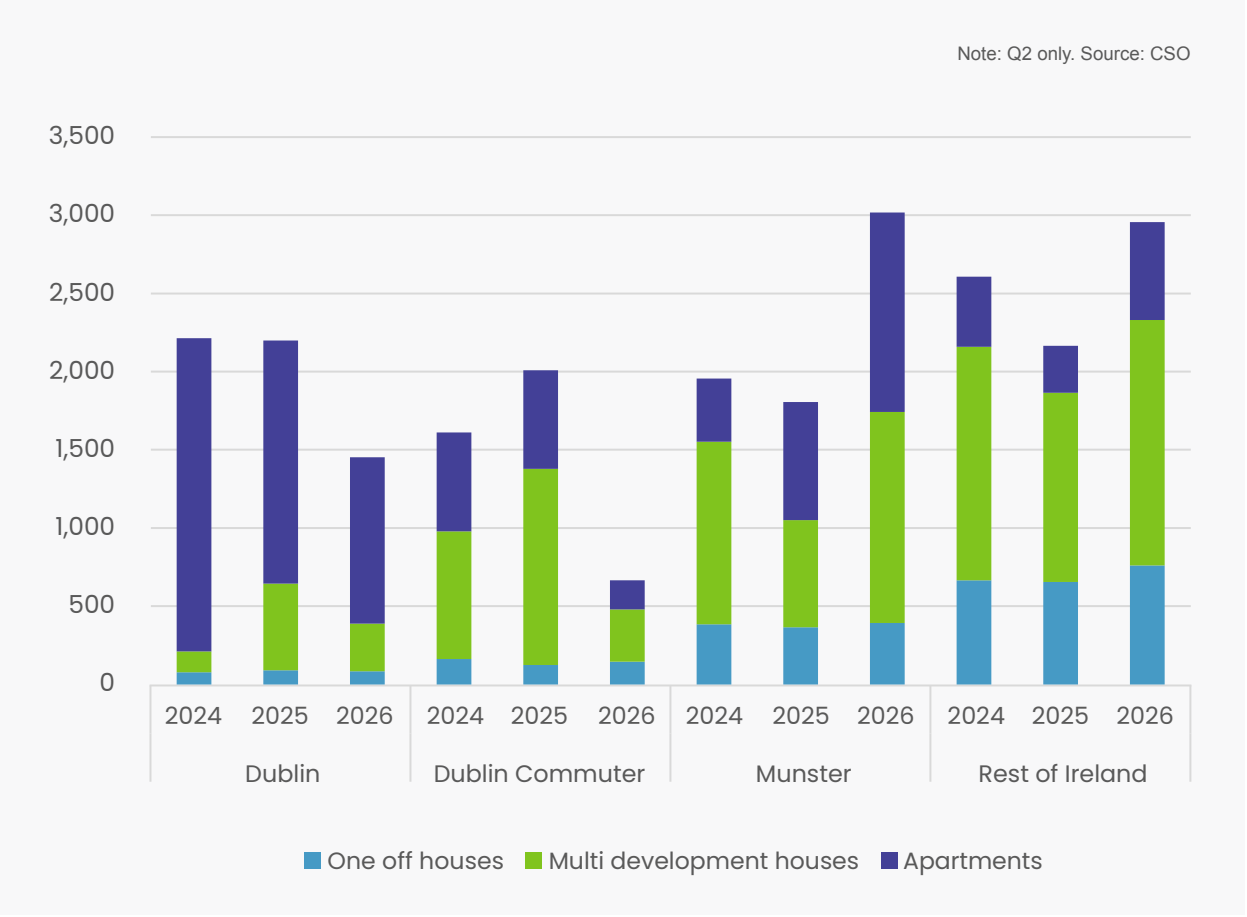
HOUSING SUPPLY

New dwelling planning permissions

The number of dwelling units granted planning permission fell by 1% year on year in Q1 2026 to 8,092. On an annualised basis, 34,889 dwelling units were granted planning permission in the twelve months ending March 2026.

More than 4,900 (4,939) houses were granted planning permission in Q1 2026, two more than in Q1 2025, with multi-development or scheme houses down by 4% to 3,557. More than 20,600 houses were granted planning permission in the twelve months ending March 2026, the highest level since the data series began in 2018. Almost 15,400 of those were multi-development houses.

Dublin accounted for 34% of apartments but only 7% of houses approved.



HOUSING SALES & RENTALS

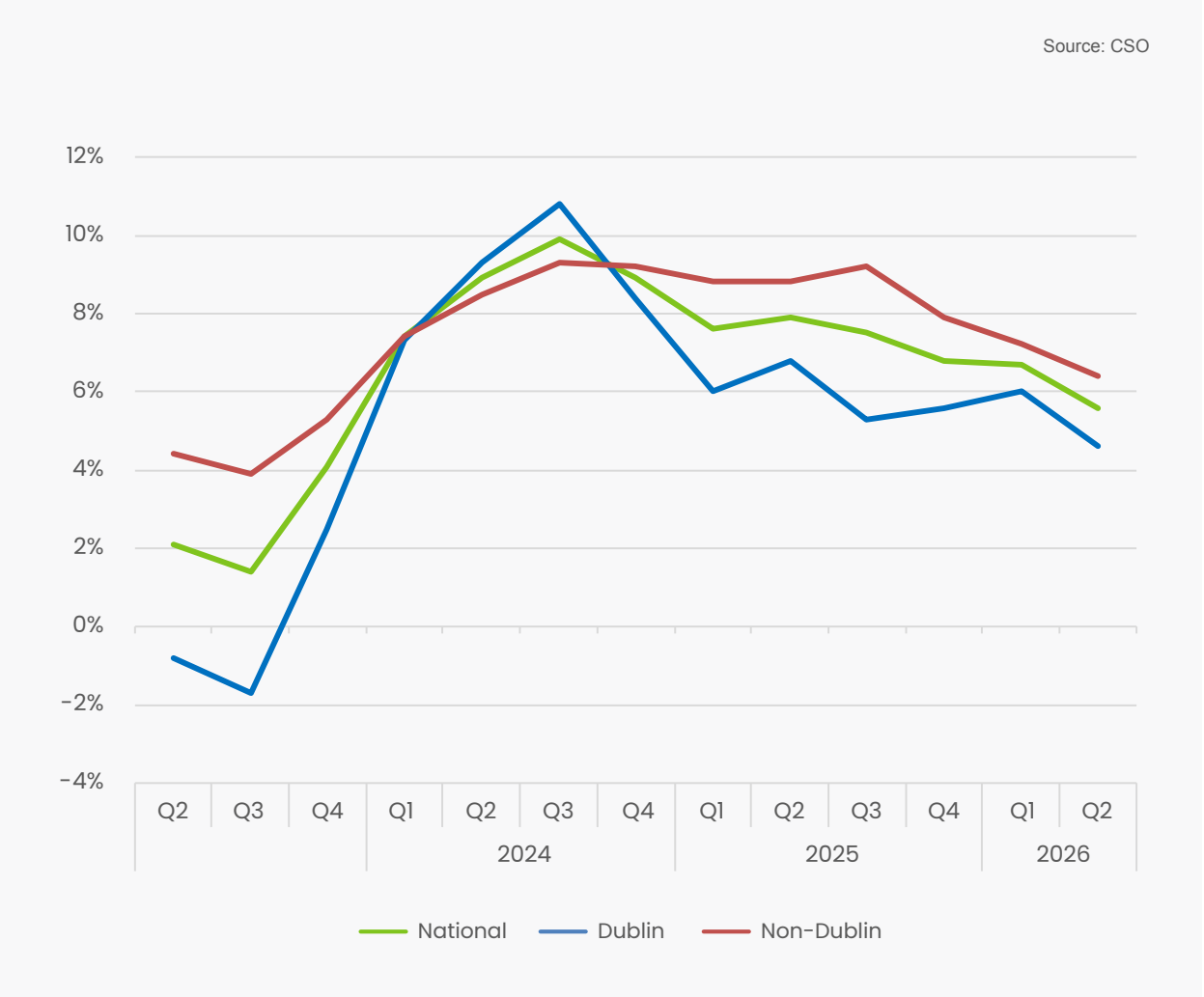
Transaction prices

Residential property prices increased by 5.6% in the twelve months to June 2026, compared with an increase of 7.9% in the twelve months to June 2025. This was the lowest annual increase since January 2024.

Residential property price inflation outside Dublin rose by 6.4% year on year, with house prices there up by 6%. Residential property prices in Dublin increased by 4.6%. Apartment prices grew faster than house prices both nationwide (up 8%) and in Dublin (up 7%).

Prices for new dwellings were up 6% year on year in Q2 2026, while prices of existing dwellings were 5.9% higher.

Prices vary significantly by location, type and status. At €449,999, the median new dwelling price was about €86,000 higher than the median existing dwelling price in the twelve months ending June 2026 (based on filings of household purchases at market prices). Nine local government areas (all of Dublin, Kildare, Meath and Wicklow, as well as Galway City and Cork County) had median residential property prices at or above the national median price of about €396,000 in in the twelve months ending June 2026. By contrast, Donegal, Leitrim and Longford had median prices of less than €230,000.



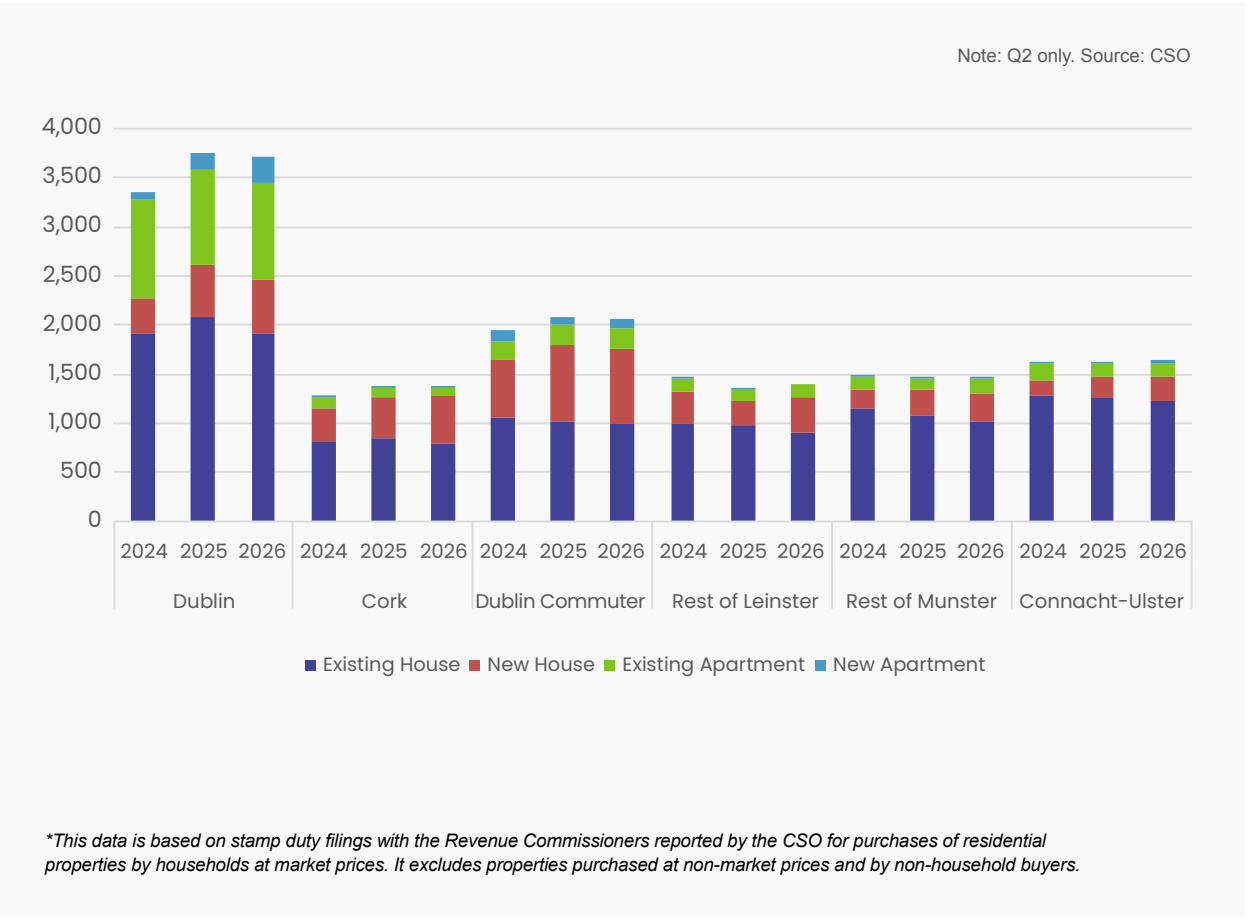
PROPERTY TRANSACTIONS

Household market purchases of residential property increased by 0.5% or 59 properties year on year to 11,660 in Q2 2026. On an annualised basis, however, there were 51,253 purchases in the twelve months ending June 2026, the highest level since the data series began in 2010.

Dublin was the largest housing market in Q2 2026 with 3,712 household market purchases, 30 properties fewer than in Q2 2025, marking the third consecutive quarter of year-on-year contraction. The county accounted for 31.8% share of the national market and 59.2% of apartment sales.

In terms of property types and dwelling status, existing houses accounted for 58.6% of sales in Q2 2026, while new house sales increased by 12.4% year on year to 2,719 and accounted for 23.3% of housing sales.

Dublin had the largest share of each property type-status in Q2 2026, except new houses, in which the Dublin Commuter region accounted for 28.2% of new house sales and Dublin accounted for 20.7%.



**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.*

MORTGAGES

Mortgage Approvals

The number of mortgage approvals for property purchase or self-build rose by 6.5% year on year in Q2 2026 to 12,674. This was the highest quarterly volume or approvals since the data series began in 2011.

First-time buyer (FTB) approvals for purchase/self-build rose by 7.2% to 9,564 in Q2 2026, also the highest quarterly level since the data series began. Mover purchase approvals rose by 5% to 2,924, the highest quarterly level since Q3 2024.

Residential investment letting (RIL) approval volumes fell by 7% year on year to 186, the lowest Q2 level since 2020.

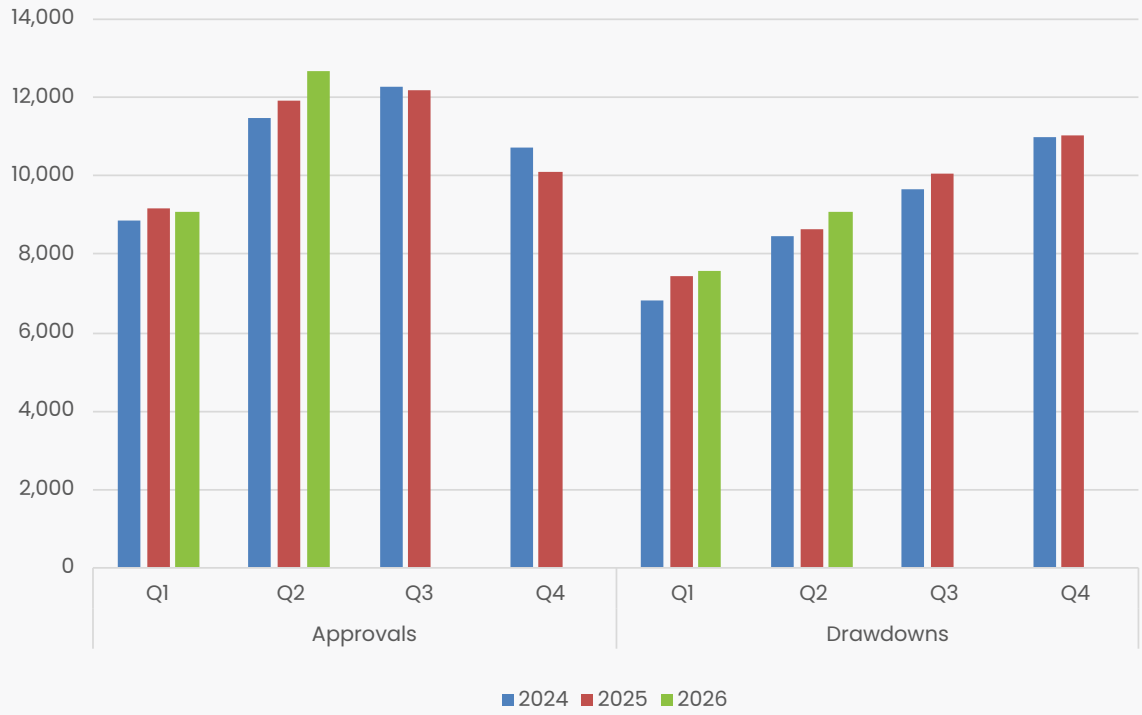
Mortgage Drawdowns

Mortgage drawdown volumes for property purchase or self-build increased by 5.1% year on year to 9,094 in Q2 2026, the highest Q2 volume since Q2 2008.

FTBs drew down 6,941 mortgages in Q2 2026, up by 7% on Q2 2025 and the highest Q2 level since Q2 2007. Mover purchase volumes were up by 1.1% year on year to 2,017.

RIL volumes dropped by 18.1% to 136, the lowest quarterly volume since Q1 2024.

Source: BPFI



Note: Mortgages for property purchase/self-buld only. Switching and top-up mortgages are excluded.

ABOUT THE REPORT

The information presented here is based on a range of publicly available reports and datasets and collated by Banking & Payments Federation 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 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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