

Year-end edition (2007) of **permanent tsb** / ESRI House price index published

- Prices nationally declined by 7.3% compared to growth of 11.8% in 2006
- Price reduction in second half stronger than that in first half
- Price reduction highest in Dublin (-7%) compared to outside Dublin (- 6.4%)
- Prices for existing houses (- 9.0%) decline more than prices for new house (- 4.1%).

The 2007 year-end edition of the **permanent tsb** House Price Index - compiled in association with the ESRI - reveals that house prices nationally declined by 7.3% in 2007 – compared to an increase in average national prices of 11.8% during 2006.

The index reveals that prices declined more in the second half of the year than in the first with falls in average national prices of 4.7% [second half of year] and 2.6% [first half of year] respectively.

This pattern is in keeping with the trend established in 2006 when the rate of house price growth declined as the year progressed. In that year, average national prices rose 8% in the first half (2006) and by 3.8% in the second half (2006). A year ago it was noted that the rate of growth in the first half of 2006 represented an exceptional performance.

The index for 2007 also reveals that the national average cost of houses for First Time Buyers declined by 6.5% during 2007. This was somewhat less of a decline than that experienced for the Second Time Buyer market where the average national price declined by 7.9%.

The average price paid for a house by a First Time Buyer stood at €260,786 at the end of December 2007. This was a decrease of over €18,000 compared to December 2006.

December Figures:

Looking specifically at December, the price of houses nationally declined by 1.5% during the month, compared to a decline of 1.1% in November.

The average price paid for a house nationally in December 2007 was €287,887, compared to €310,632 recorded in December 2006.

Dublin V Rest of Country:

Dublin house prices fell by 1.4% in December while there was a reduction in prices of 1.0% for houses bought outside Dublin. In November 2007 the relative price changes were -0.1% and -0.8%.

House prices fell by 7.0% and 6.4% in the twelve months to December 2007 in Dublin and outside Dublin respectively. The equivalent rates in 2006 were growth of 15.9% and 10.9% respectively.

The average price paid for a house in Dublin and outside Dublin in December 2007 was €397,507 and €249,359 respectively. The equivalent prices in December 2006 were €427,343 and €266,339 respectively.

First time buyers V. Second time buyers:

House prices for first-time and second-time buyers were reduced by 0.3% and 1.6% respectively in December 2007. In November 2007 the equivalent decreases were 0.1% and 1.4%.

House prices fell by 6.5% and 7.9% in 2007 for first-time (FTB) and second-time buyers (STB) respectively. The equivalent price movements in 2006 were + 11.8% and + 12.2% respectively.

The average price paid by a first-time buyer and a second-time buyer in December 2007 was €260,786 and €321,498 respectively. The equivalent prices in December 2006 were €279,003 and €349,213.

New V. Existing Houses

House prices for new and second-hand houses fell by 0.2% each in December 2007. In November the relative price changes were down 0.7% and 1.2% respectively for new and second hand houses.

New and existing house prices declined by 4.1% and 9.0% respectively in 2007. The equivalent movements in 2006 were price increases of 9.6% and 10.2% respectively.

The average price paid for a new house in December 2007 was €290,296 while that paid for a second hand house was €284,608. The equivalent levels in December 2006 were €302,645 and €312,709.

Best Regards

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IMAF Award Winner 2007 – Best Commercial Lender