

REPUBLIC OF IRELAND **RESIDENTIAL** H1 2024 REVIEW



JULY 2024



Introduction

The current housing market in Ireland is marked by several key trends and challenges. House prices in cities like Dublin, Cork, and Galway are still high due to strong demand driven by economic growth, job opportunities, and the presence of multinational corporations, especially in the tech and pharmaceutical sectors. This demand has kept prices rising, though at a more moderate pace compared to the post-COVID surge.

While demand is lower in rural areas, there is growing interest in regions with scenic beauty or proximity to urban centres. However, price growth in these areas is more restrained due to limited job opportunities and infrastructure. The affordability gap is significant, especially in the Greater Dublin Area. Despite efforts to increase housing construction, the supply of new homes is not meeting the demand. This shortage is exacerbated by a skills gap in the construction sector, which hampers the speed at which new housing can be developed and the cost of materials.

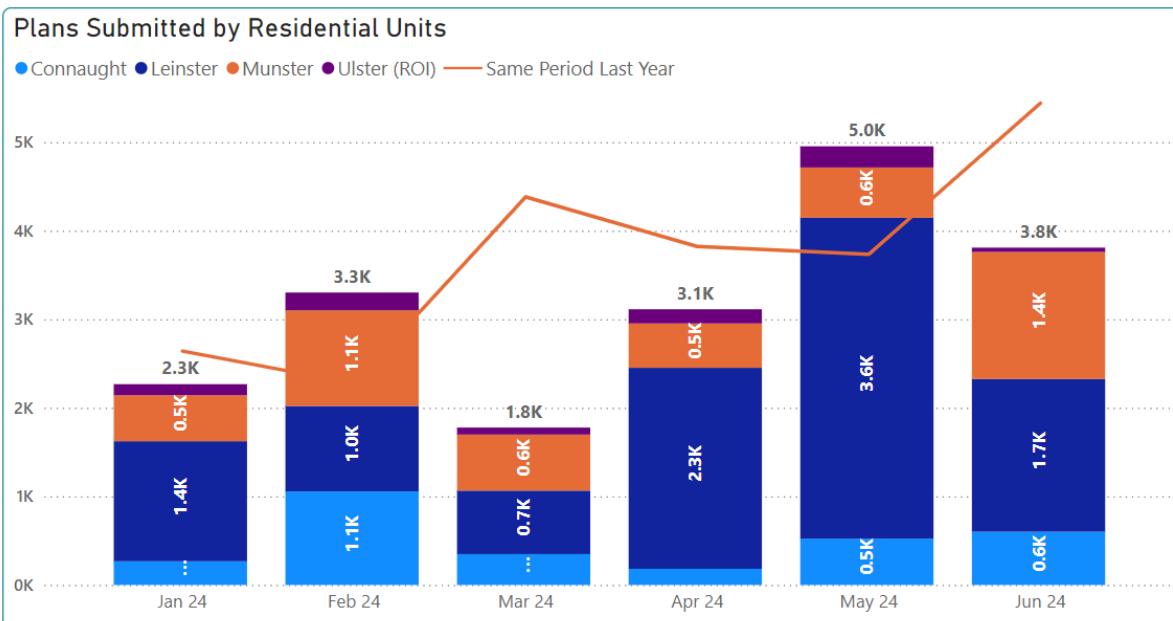
Many landlords are exiting the market due to complex rent legislation and low net rental returns. This has led to a contraction in the number of available rental units, pushing rents higher. Mortgage approvals for residential investment lettings have also declined, further tightening the rental market. Historically low-interest rates have made mortgages more accessible, sustaining demand in the housing market. However, any future increases in interest rates could impact affordability and potentially cool the market.

The Irish government has implemented various measures to address housing affordability and supply issues. These include the Help to Buy scheme for first-time buyers and initiatives to promote higher-density developments in urban areas. The impact of these policies on the housing market is ongoing and being closely watched. The current housing sector in Ireland is influenced by various initiatives, including a notable waiver of development contributions. This waiver, introduced to stimulate housing development, is a temporary, time-limited measure applicable to all development contribution schemes under the Planning and Development Act 2000. As a result, Construction Information Services (CIS) observed a **660% increase** on house starts to April this year compared to the same period in 2023.

Plans Submitted

As the first half of 2024 draws to a close, CIS has observed a total of **723** planning applications lodged for residential schemes in Ireland (ex.self-build), a **9% increase** on the same period last year. These **723 schemes** equate to **19.1k residential units** in total, representing a **14% decrease** of the number of units lodged for planning from the same period last year. As expected, Leinster sees the largest volume of units lodged for planning with **10.5k units**, compared to Ulster (ROI) seeing just **608 units** lodged for planning so far this year.

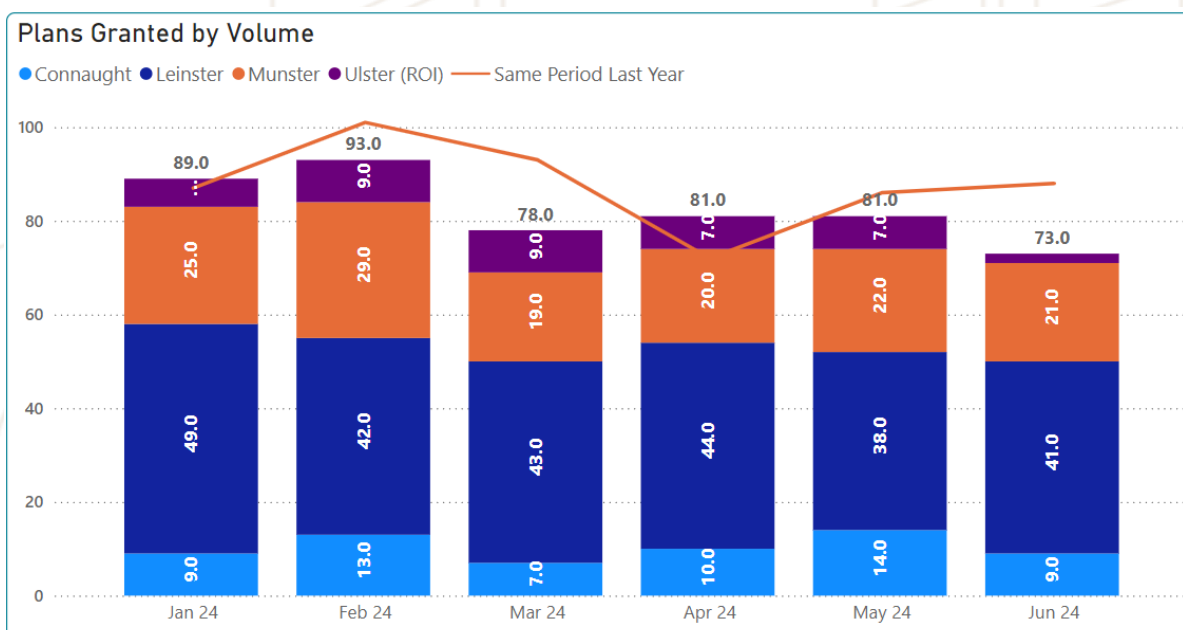
The largest application submitted in H1 of 2024 was by Solus Holdings in Headford, County Galway. The development proposed 651 residential units. Unfortunately, this application was refused by Galway County Council in April.



Plans Approved

As we reach the mid-point of 2024, CIS has observed a total of **495** planning applications approved planning in the residential sector in Ireland (ex.self-build), a **6% decrease** on the same period last year. These **495 schemes** equate to just under **15k residential units** in total, representing a **42% decrease** of the number of units approved planning for the same period last year. As expected, Leinster sees the largest volume of units approved planning with **10.2k units**, compared to Ulster (ROI) seeing just **653 units** approved planning so far this year.

The largest application approved planning in H1 of 2024 was for Aledo Construction for a scheme planned for Corballis East in Donabate, County Dublin. The development proposes the construction of over 1k residential units.

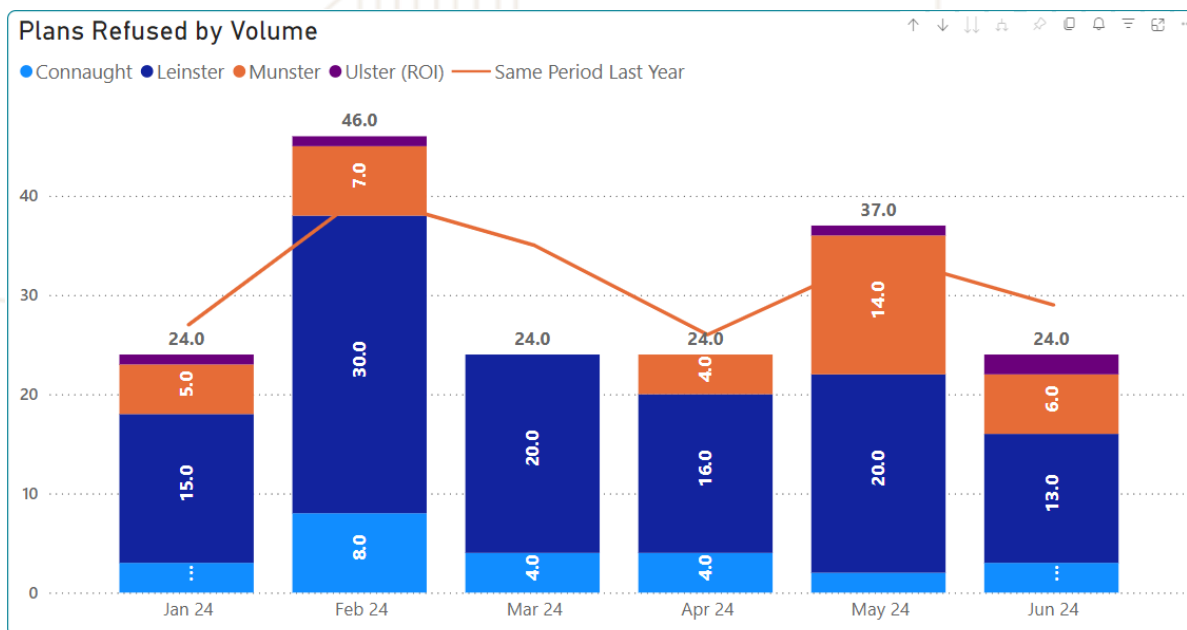




Plans Refused

CIS has observed a total of **179** residential planning applications not making it through the planning cycle in Ireland (ex.self-build), representing a **6% decrease** on the same period last year. These **179 schemes** equate to **just over 6.5k residential units** in total, representing an **18% increase** of the number of units refused planning from the same period last year. As expected, Leinster sees the largest volume of units refused planning with **4.5k units**, compared to Ulster (ROI) seeing just **300 units** refused planning so far this year.

The largest application refused planning in H1 of 2024 was the application lodged by Solus Holdings in Headford, County Galway. The development proposed 651 residential units.



Appeals

So far this year, CIS has recorded **166 appeals** against planning decisions on residential developments being lodged with An Bord Pleanála. These appeals equate to over **10k residential units** which will now have to await a decision from the Board. For the same period last year, CIS recorded just **over 200 appeals** lodged on significant residential projects equating to just over **11k units**. CIS data highlights that there are currently **205 projects** which were **appealed in 2023**, which are still awaiting a decision from An Bord Pleanála. These cases equate to just **over 7k units** which are held up in the appeals process, alongside this year’s cases.

The largest residential project appealed so far this year is a development for Dean Swift Property Holdings Unlimited Company in Balbriggan, County Dublin. The development proposes a total 564 residential units. A decision is expected by An Bord Pleanála imminently. The local authority had originally refused planning permission for the scheme.



SHD Current State of Play

Introduced under the Planning and Development (Housing) and Residential Tenancies Act 2016, the Strategic Housing Development (SHD) process aimed to expedite the planning process for large-scale housing developments. SHDs included residential projects with one hundred or more housing units, mixed-use developments with a majority of residential units, and large-scale student accommodation projects with at least 200 bed spaces.

The now defunct planning route, replaced by the Large Residential Development application process in 2023, which are managed by local authorities, still has **56 applications** awaiting a planning decision, which equates to **20k units** still at a planning stage with An Bord Pleanála. Some of these applications date back to 2022, when they were first lodged.

Large Residential Developments (LRD)

From January to late June, 8 counties have seen LRD schemes lodged. CIS data indicates the highest volume of residential units is in counties with key urban centres such as Dublin and Cork. The most recent housing report by the Economic and Social Research Institute (ESRI), funded by the Department of Housing, Local Government and Heritage, shows that populated growth is anticipated in all regions, but comparatively higher growth will be primarily concentrated in Dublin and the Mid East of the country. With the report finding that 46% of all housing demand over the 2023-2030 period will be in Dublin and Cork regions.

A familiar trend is appearing with regional variations with less densely populated more rural counties having none or few LRD schemes lodged. There is however continued encouraging signs with a broader array of LRD schemes lodged across the country showing the growth and need for these types of developments to stabilise the market, increase supply and ease the housing crisis with a total of **3,455 Residential LRD Units** submitted so far this year with an estimated value of **€697 Million**.



On Site

CIS has observed a total of **631** residential schemes starting on site so far this year, which represents a **65% increase** on the number of schemes (ex Self build) starting construction for the same period the previous year. Off the back of the introduction of a government initiative to waive development contributions to drive housing construction, April saw almost **300 residential schemes** start on site. Comprising both new and ongoing phases, April saw over **19k units** commence on site, a **660% increase** on the same month in 2023. So far this year **35.5k units (inc. Self-builds)** have started on site, a **127% increase** on the first half of 2023. As expected, to alleviate demand, Leinster saw the greatest number of units commence on site in H1, with close to **22.8k units** starting, versus Ulster (ROI) seeing just under **1.3k units** start in the first half of the year.

The largest residential project to start so far this year was the Southwest Gate Development for the O’Flynn Group in Walkinstown, County Dublin. The scheme proposes a total of 1.1k residential units along with commercial, hospitality and retail elements. The first half of the year has seen over 300 residential units commenced on site.





Completions

When it comes to the residential sector, it is all about deliverables. So far this year, **187 residential projects** have completed. These **187 projects** completed in their entirety, equate to **7k units**. In total, as of the end of June, CIS data shows that **12.2K units (inc. Self-build)** have been completed this year, a **5% increase** on the same period last year. These **12.2k units** are made up of completed residential developments and phases of ongoing schemes around the country. As expected, Leinster sees the highest number of units completed, with just **over 5k units** completed this year.

The largest residential project to complete this year was the Newmarket Square Mix-use development in Dublin 8. The scheme for Brickfield Investments DAC proposed a total of over 400 residential units alongside commercial elements. The scheme originally commenced in late 2021.



Conclusion

As part of their Housing for All program, the Government targets the delivery of 33,000 new homes annually, which includes private, social, affordable, and cost rental homes. Some recent studies suggest the Government will in fact need to build over 50,000 units per year to address the housing crisis. Budget 2024 allocated significant funding to support social and affordable housing. This includes €1.9 billion for 9,300 new social homes and €5.1 billion in total capital funding for various housing projects. Increased targets for the Housing First program aim to provide 1,200 homes over five years for people experiencing homelessness. Additionally, there are plans to strengthen services and support for homeless individuals.

Efforts are being made to bring vacant and derelict homes back into use. This includes increasing grants for renovating vacant properties and initiatives like the Croí Cónaithe (Cities) scheme to support city centre living. Funding is also being allocated for the retrofitting of social housing to improve energy efficiency and reduce carbon emission.

In summary, while the Irish housing market is showing signs of stabilization with more restrained price growth, significant challenges remain, particularly regarding affordability and housing supply. Urban areas continue to experience high demand and price pressures, whereas rural areas see more stable conditions. The market's future



Residential Sector H1 Review

Republic of Ireland

will depend on economic conditions, interest rate changes, and the effectiveness of government policies aimed at addressing these persistent issues.

CIS covers every sector and stage of planning to guarantee that you have reliable information for your organization. If you would like a free demo of our lead generation platform or to learn more about the depth of our data, please arrange a demo by calling **+353 1 2999 200**, email **sales@cisireland.com** or **[click here](#)**