

## Property Industry Ireland press release

- New report shows housing commencements reached just over 8,000 in 2015, but residential market activity remains depressed
- Highest level of take-up in Dublin office market since 2007
- Mixed signs of recovery in regional urban markets
- Dublin industrial take-up in 2015 reaches its highest level since 2006
- Another record year as property investment totals approximately €3.5 billion

Property Industry Ireland (PII), the Ibec group that represents businesses working in the property and construction sector, today launched the latest edition of Property Watch (PDF attached), a report compiling over 30 different property datasets from 20 sources to give an overview of the state of the Irish property market. This initiative has been in partnership with AIB and DKM Economic Consultants.

This is the second edition of Property Watch which is published each quarter. The key points outlined in the report are:

- Housing commencements declined to less than 1,800 in Q4 2015, despite gaining momentum in previous quarters, and reached just over 8,000 in the full year.
- Annual property price inflation in the rest of Ireland has surpassed the rate in Dublin since the latter months of 2015.
- Total office take-up accelerated in Q4 2015, while significant development remains in the pipeline.
- An average industrial take-up of over 400,000 m<sup>2</sup> in 2015, the highest since 2006, with limited new supply in the pipeline.
- Demand for retail space is spreading out from prime city areas driven by demand from both domestic and international retailers.
- 2015 was a remarkably strong year for commercial property investment, concluding with transactions worth over €1 billion in the final quarter.

Launching the report, which covers Q4 2015, the Director of Property Industry Ireland, Dr. Peter Stafford said: "This report is issued in a period of huge political uncertainty. Whatever format the new government takes, resolving the housing crisis should be at the top of their agenda.

"There is no doubt that activity is increasing in the Irish property sector. Whether the measure is residential sales, commercial property investment or house-building, the indicators look more positive than they have done in the past. Nonetheless, there is much still to be done if the Irish property sector is to play its part in delivering real economic growth, attracting further investment into Ireland and ensuring an increased supply of high quality, affordable housing. This report is part of PII's commitment to provide the industry and wider community with evidence-based research underpinned by the highest standards of transparency to help everyone make better, more informed decisions."

Annette Hughes, Director of DKM Economic Consultants said: "Using information from property

agents and other sources to assemble the comprehensive residential and commercial datasets provided in Property Watch, the status of key indicators on the property market across Dublin and other urban areas can easily be monitored. The data show that there is clear evidence that the property market embarked on a new phase of its cycle in 2015, as the strong economic recovery and the limited supply of new development across the property sector as a whole boosted take-up levels and rents. We are seeing a resumption of development activity, particularly in the Dublin office sector, which should gather momentum during 2016. This is already raising concerns about a potential oversupply situation emerging in the Dublin office market.”

Paul McNamara, Head of Property Strategy & MI at AIB, said: “AIB is committed to working with experienced developers to deliver homes and commercial property throughout all parts of the country where demand is evident for the stock and the developments can be shown to be economically viable. We are also actively funding commercial property investment across the country.”

**ENDS**

#### **NOTES FOR EDITORS**

Property Watch contains the following Irish property and economic data for Q4 2015:

Irish GDP, inflation and components of Irish GNP.

Residential commencements, housing completions and housing stock.

Residential property transactions.

Residential loan approvals, mortgage drawdowns.

Residential asking prices and transaction prices.

Residential rents.

Dublin office market indicators – stock, take-up, vacancy rates, rents, yields.

Regional office market data for Cork, Galway and Limerick – take-up, vacancy rates, rents.

Dublin industrial market indicators – stock, take-up, rents and yields  
Performance of the investment property market.