

**permanent tsb**  
*House Price Index*  
*2005 Review*

- ◆ **National house prices in 2005 grew by 9.3%, slightly up on growth rate of 8.6% in 2004.**
- ◆ **Price growth nationally in the 2nd half of 2005 (6.7%) was at more than twice the rate as in the first six months (2.5%).**
- ◆ **Price growth for FTBs (12.7%) in 2005 was almost 3.5% more than price growth nationally and 4.5% ahead of STB price growth (8.3%).**
- ◆ **Significant variation in price growth across the country, from 15% in Kerry to just 2% in Leitrim.**

- ◆ **National**
- ◆ **Regional**
- ◆ **New and Existing**
- ◆ **First-time Buyers and Second-time Buyers**

	N a t i o n a l	D u b l i n	O u t s i d e D u b l i n
2 0 0 5	9 . 3 %	1 0 . 1 %	9 . 2 %
2 0 0 4	8 . 6 %	8 . 9 %	8 . 0 %
2 0 0 3	1 3 . 8 %	1 2 . 7 %	1 3 . 0 %
2 0 0 2	1 3 . 3 %	1 5 . 9 %	1 2 . 5 %
2 0 0 1	4 . 5 %	4 . 4 %	5 . 1 %
2 0 0 0	2 1 . 3 %	2 1 . 8 %	2 1 . 8 %
1 9 9 9	1 7 . 8 %	1 6 . 5 %	1 8 . 4 %
1 9 9 8	3 0 . 0 %	3 6 . 2 %	2 6 . 5 %
1 9 9 7	1 7 . 6 %	2 6 . 5 %	1 3 . 5 %

Jan '97 to Dec '05

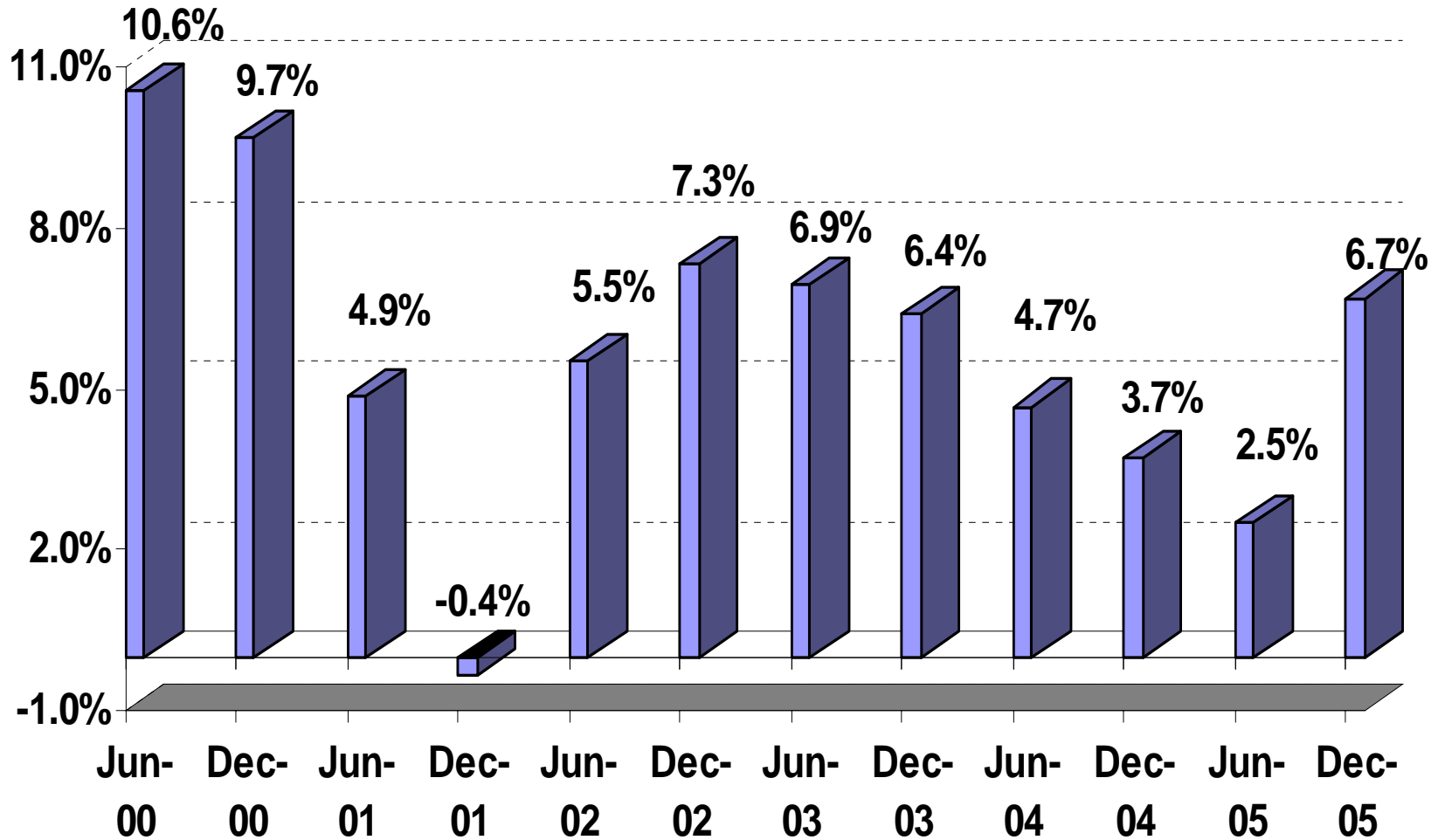
249%

299%

225%

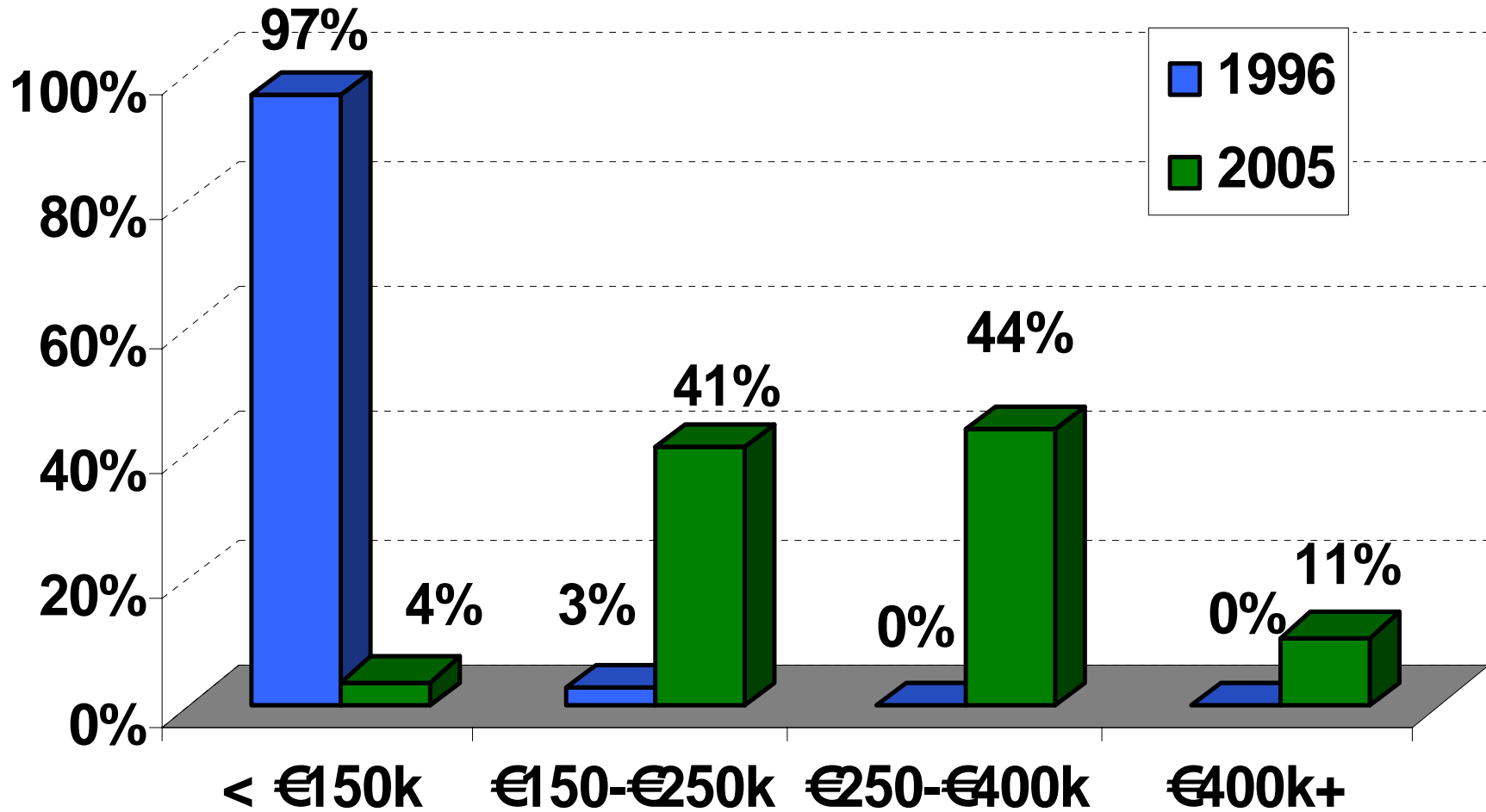
# National House Prices

Majority of growth concentrated in the 2nd half of last year.



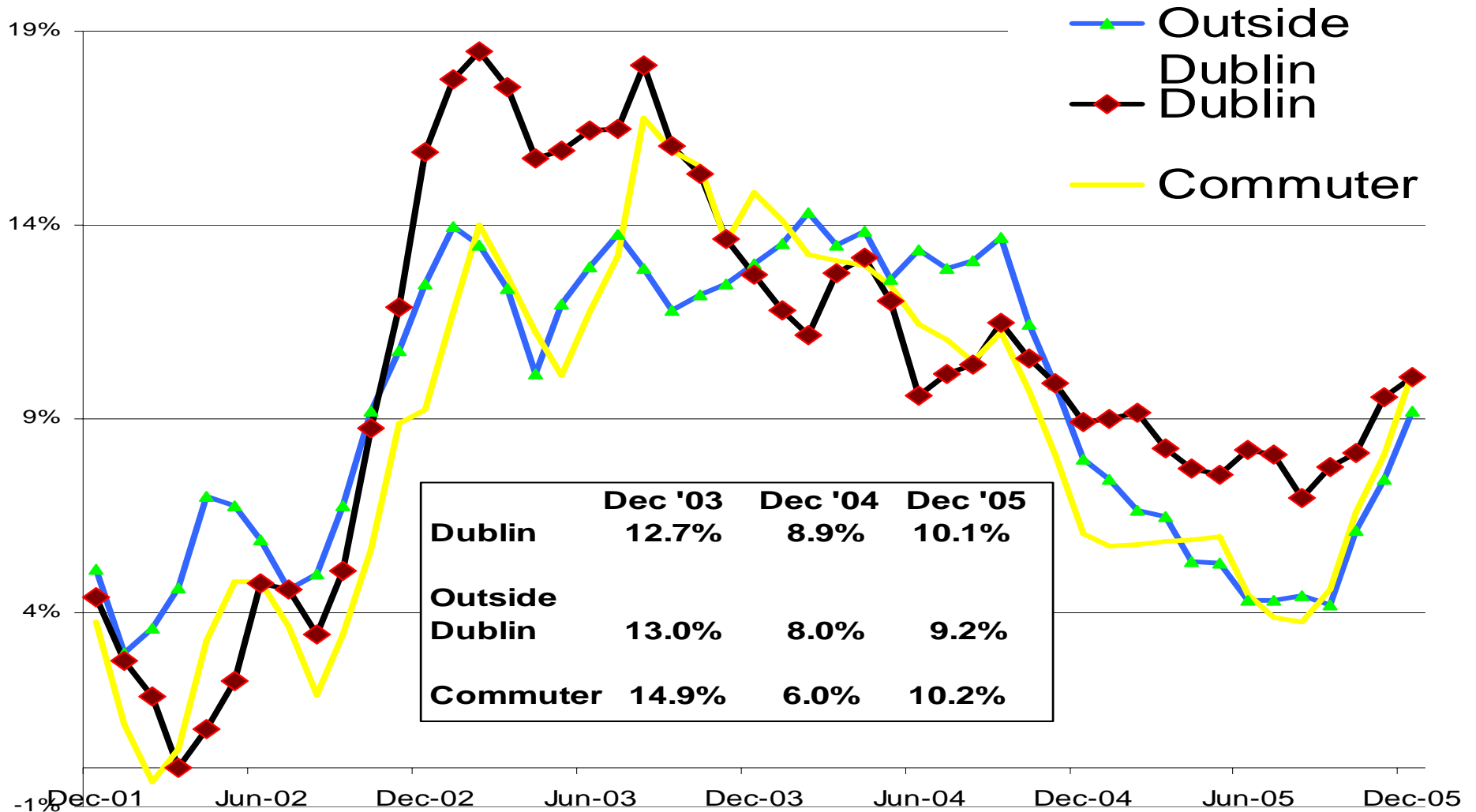
# 1996-2005 House Price Distribution

*Changed significantly over the last 9 years*

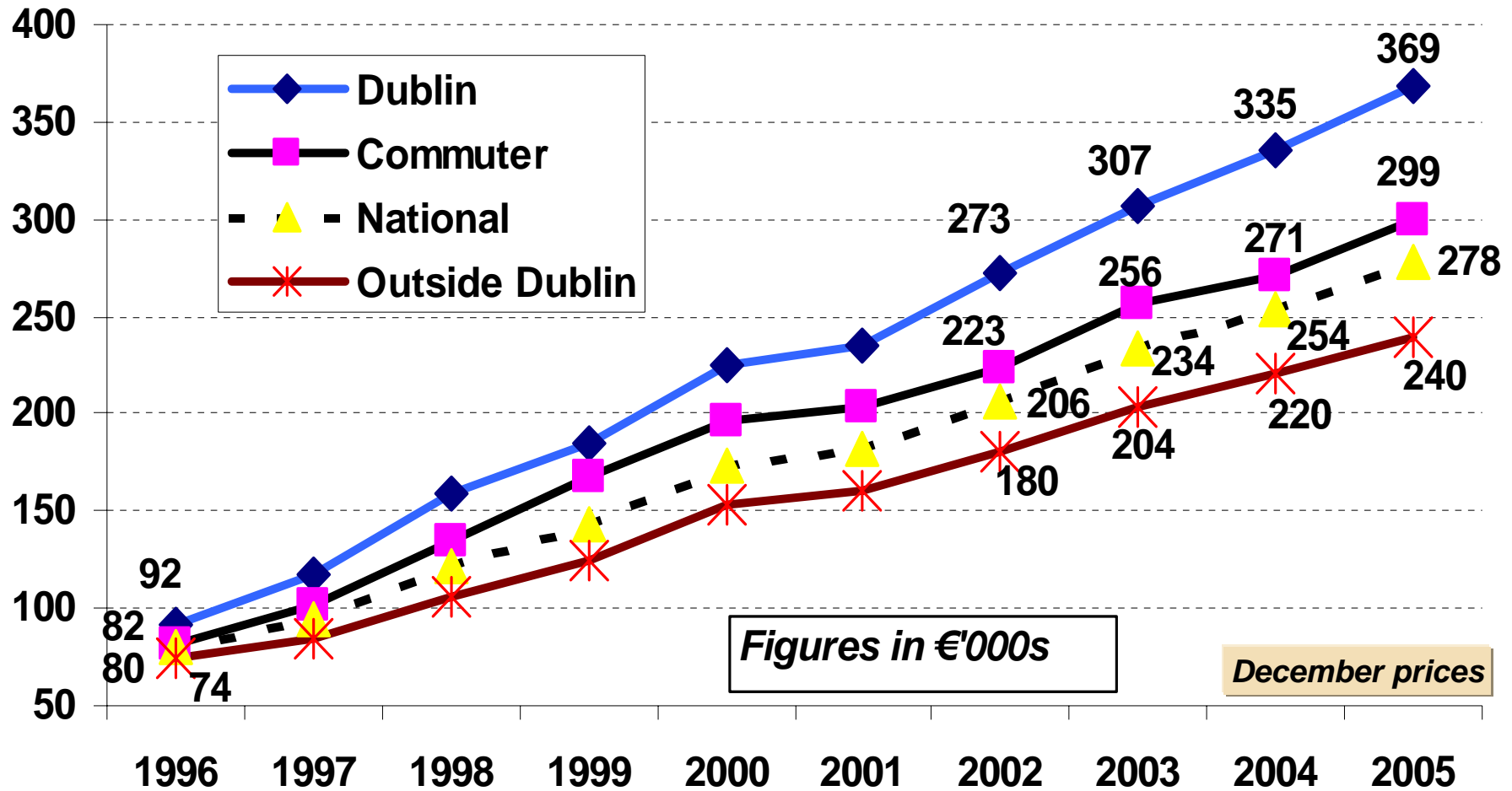


# Dublin, Outside Dublin & Commuter counties

Annual price growth rates for Dublin, outside Dublin & Commuter counties moving in relatively close alignment in 2005

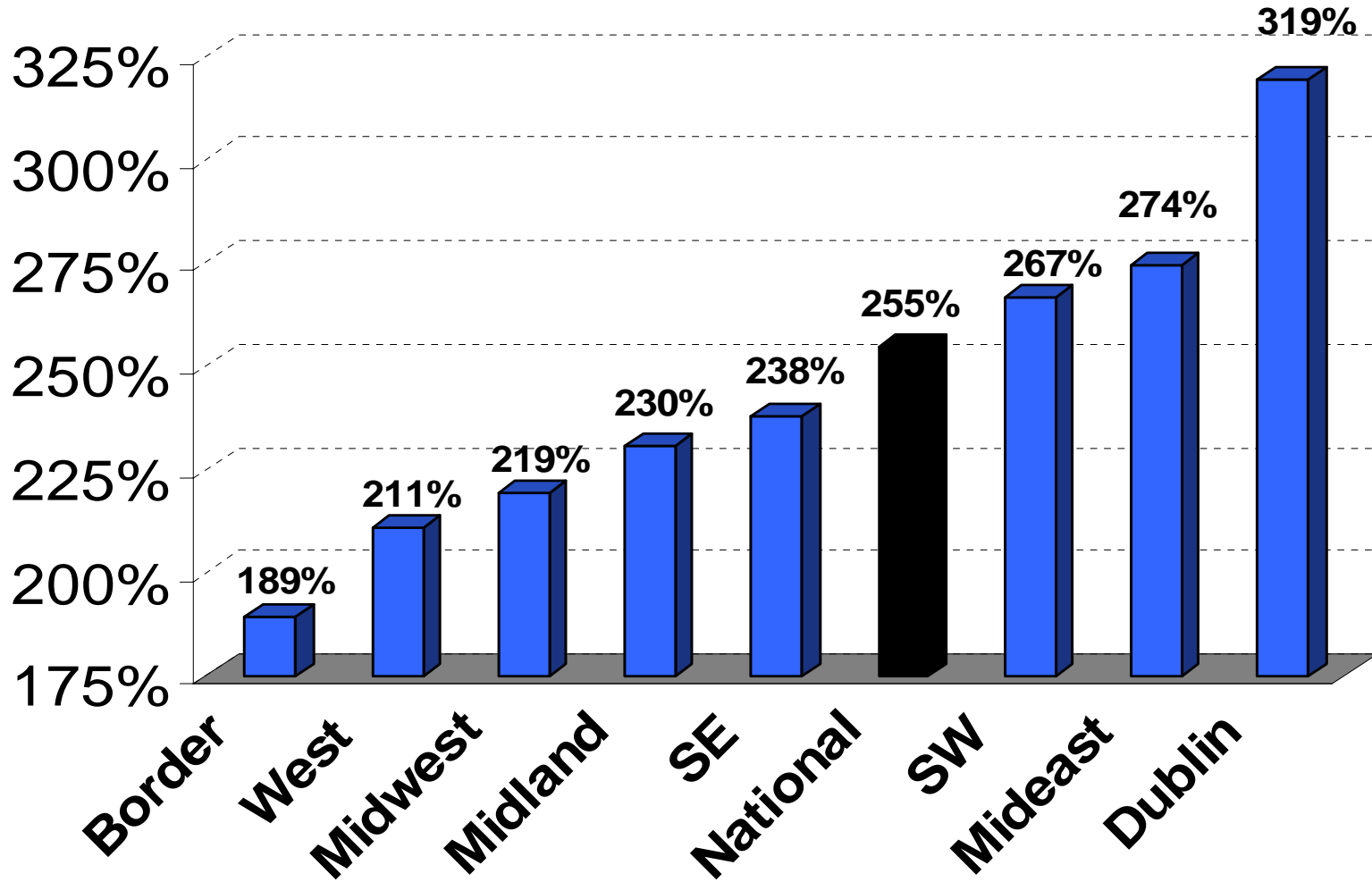


# National & Regional Price Trends - gap between Dublin and others continues to widen



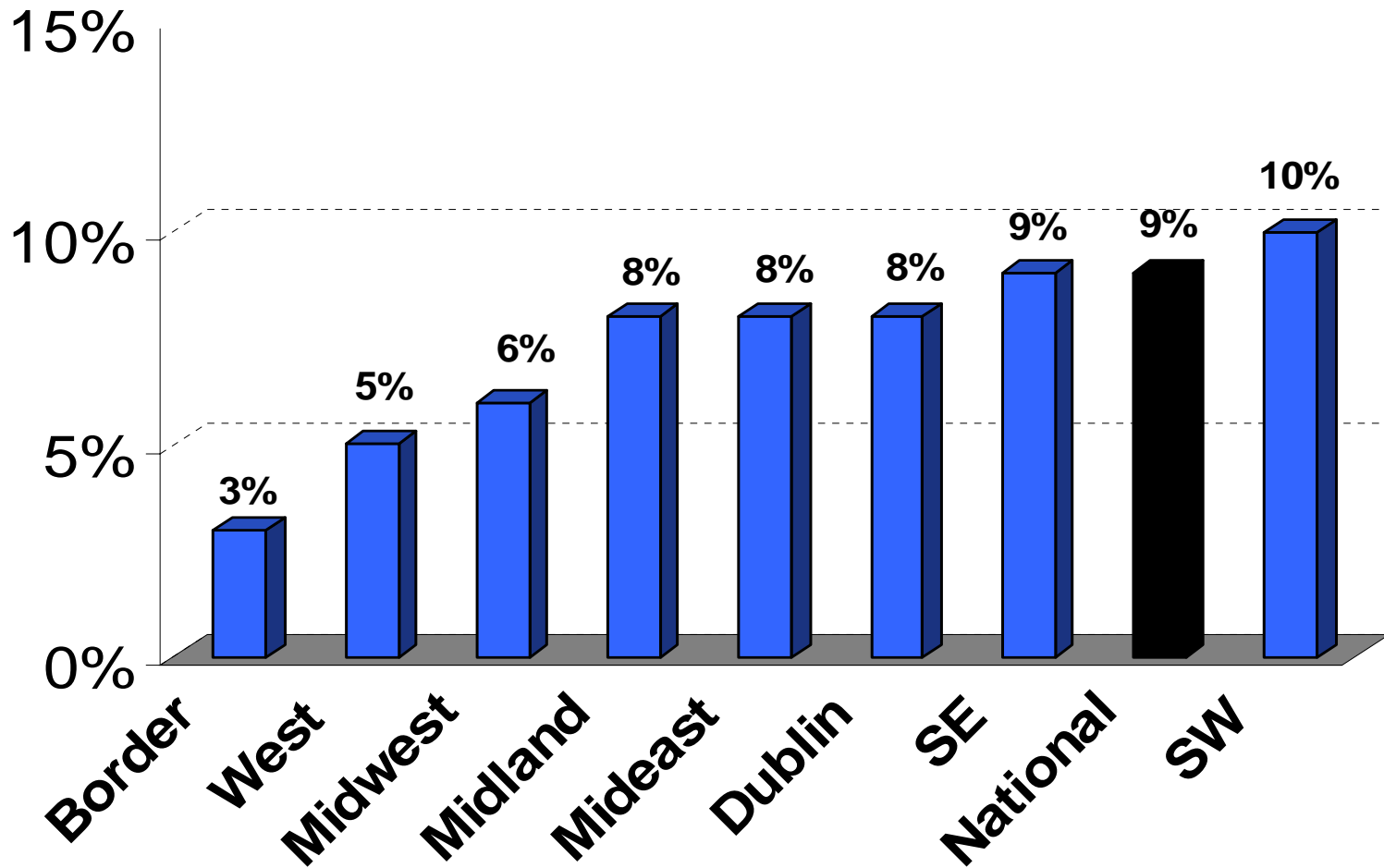
# Regional House Prices - Growth since 1996

*Dublin, Mideast & SW continue to outstrip National growth, and the order is also unchanged for the other regions*



# Regional House Prices - Annual Growth

Most regions growing in line with national levels with Border area the most notable exception



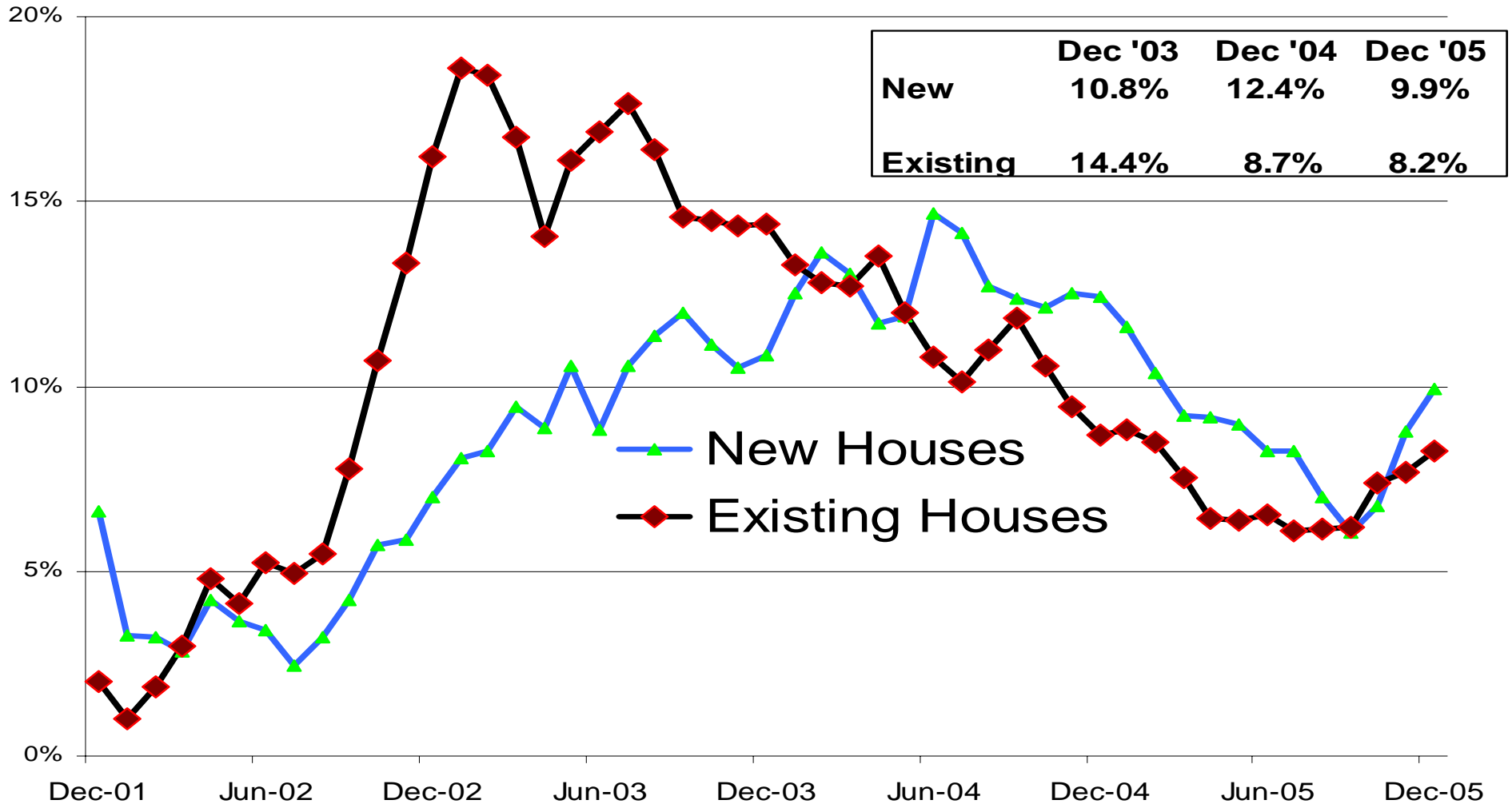
## County Average Price Trends

	Growth '03-'04	2004 €	Growth '04-'05	2005 €
<b>Dublin*</b>	9%	334,822	10%	368,576
<b>Wicklow</b>	9%	313,547	11%	347,158
<b>Kildare</b>	10%	289,306	6%	307,589
<b>Cork City</b>	13%	276,267	11%	306,117
<b>Meath</b>	12%	269,606	10%	296,508
<b>Galway</b>	11%	267,920	7%	286,478
<b>Cork County</b>	16%	252,850	12%	284,355
<b>Kilkenny</b>	9%	228,282	14%	260,992
<b>Monaghan</b>	13%	228,654	14%	260,559
<b>Louth</b>	11%	228,943	14%	259,892
<b>Kerry</b>	15%	220,484	15%	253,673
<b>Westmeath</b>	12%	220,864	11%	245,664
<b>Waterford</b>	14%	229,873	6%	244,629
<b>Clare</b>	10%	220,652	11%	244,415
<b>Wexford</b>	14%	216,673	13%	244,042
<b>Sligo</b>	10%	231,582	4%	241,217
<b>Carlow</b>	9%	218,291	9%	237,685
<b>Cavan</b>	14%	206,993	14%	236,749
<b>Limerick</b>	9%	217,208	7%	231,332
<b>Mayo</b>	14%	207,091	11%	229,121
<b>Offaly</b>	15%	209,208	9%	227,470
<b>Tipperary</b>	12%	199,526	13%	225,415
<b>Laois</b>	15%	212,982	6%	225,231
<b>Roscommon</b>	7%	198,533	12%	221,509
<b>Longford</b>	5%	193,106	11%	214,527
<b>Donegal</b>	16%	199,973	3%	205,155
<b>Leitrim</b>	9%	196,800	2%	199,827

	<b>Growth '03-'04</b>	<b>2004 €</b>	<b>Growth '04-'05</b>	<b>2005 €</b>
<b>Kerry</b>	<b>15%</b>	<b>220,484</b>	<b>15%</b>	<b>253,673</b>
<b>Cavan</b>	<b>14%</b>	<b>206,993</b>	<b>14%</b>	<b>236,749</b>
<b>Kilkenny</b>	<b>9%</b>	<b>228,282</b>	<b>14%</b>	<b>260,992</b>
<b>Sligo</b>	<b>10%</b>	<b>231,582</b>	<b>4%</b>	<b>241,217</b>
<b>Donegal</b>	<b>16%</b>	<b>199,973</b>	<b>3%</b>	<b>205,155</b>
<b>Leitrim</b>	<b>9%</b>	<b>196,800</b>	<b>2%</b>	<b>199,827</b>

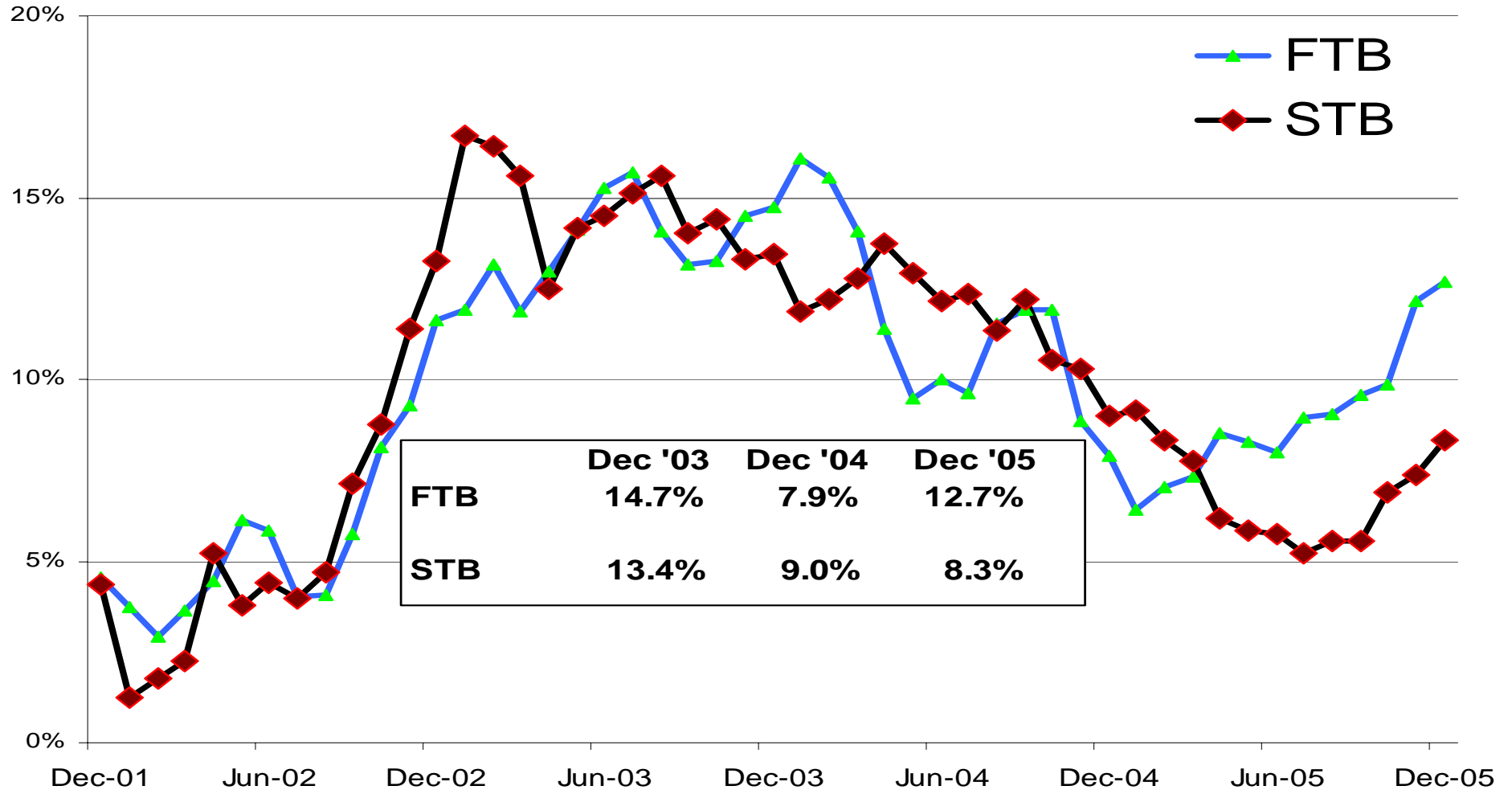
# Existing versus new houses

Annual % growth in new and existing house prices following the national trend.



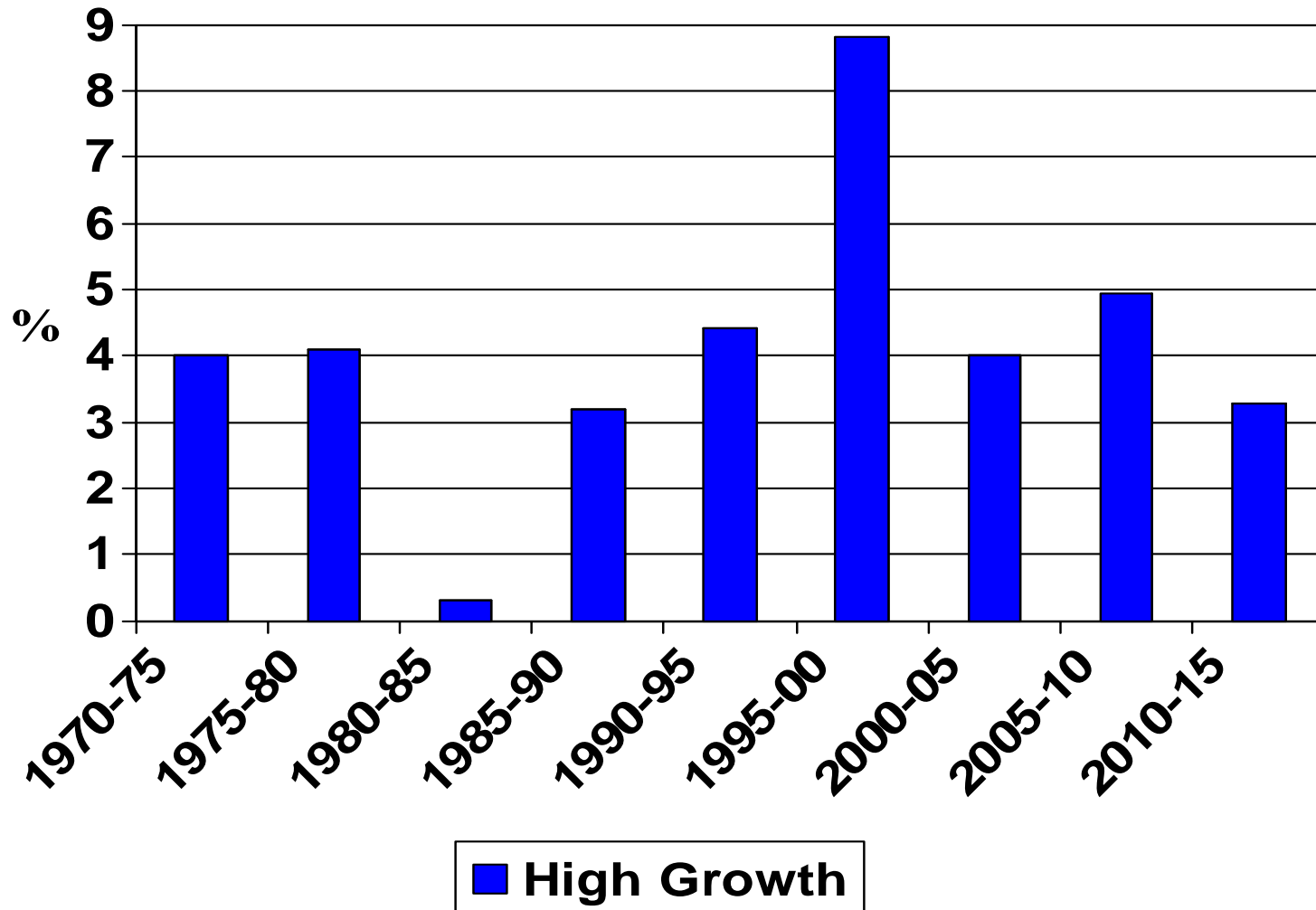
# First versus second time buyers

*FTB growth rates have been ahead of rates nationally since April 2005 and ended 2005 3.5% & 4.5% up on national and STB levels respectively.*

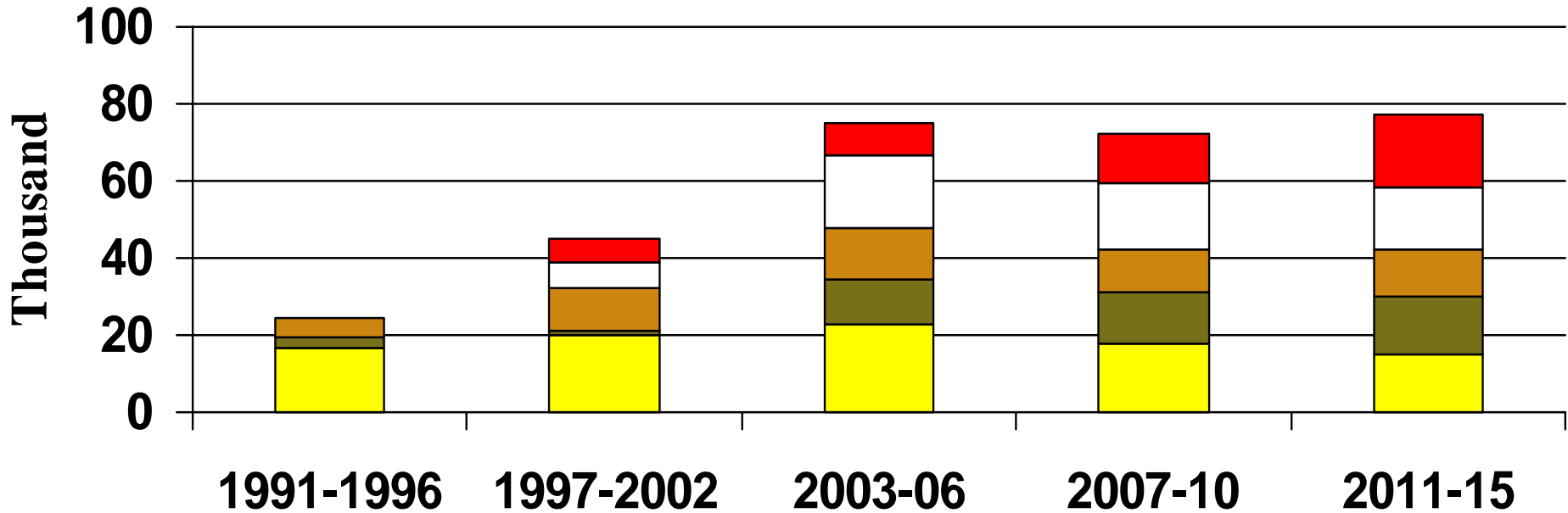


# *Demand Outlook*

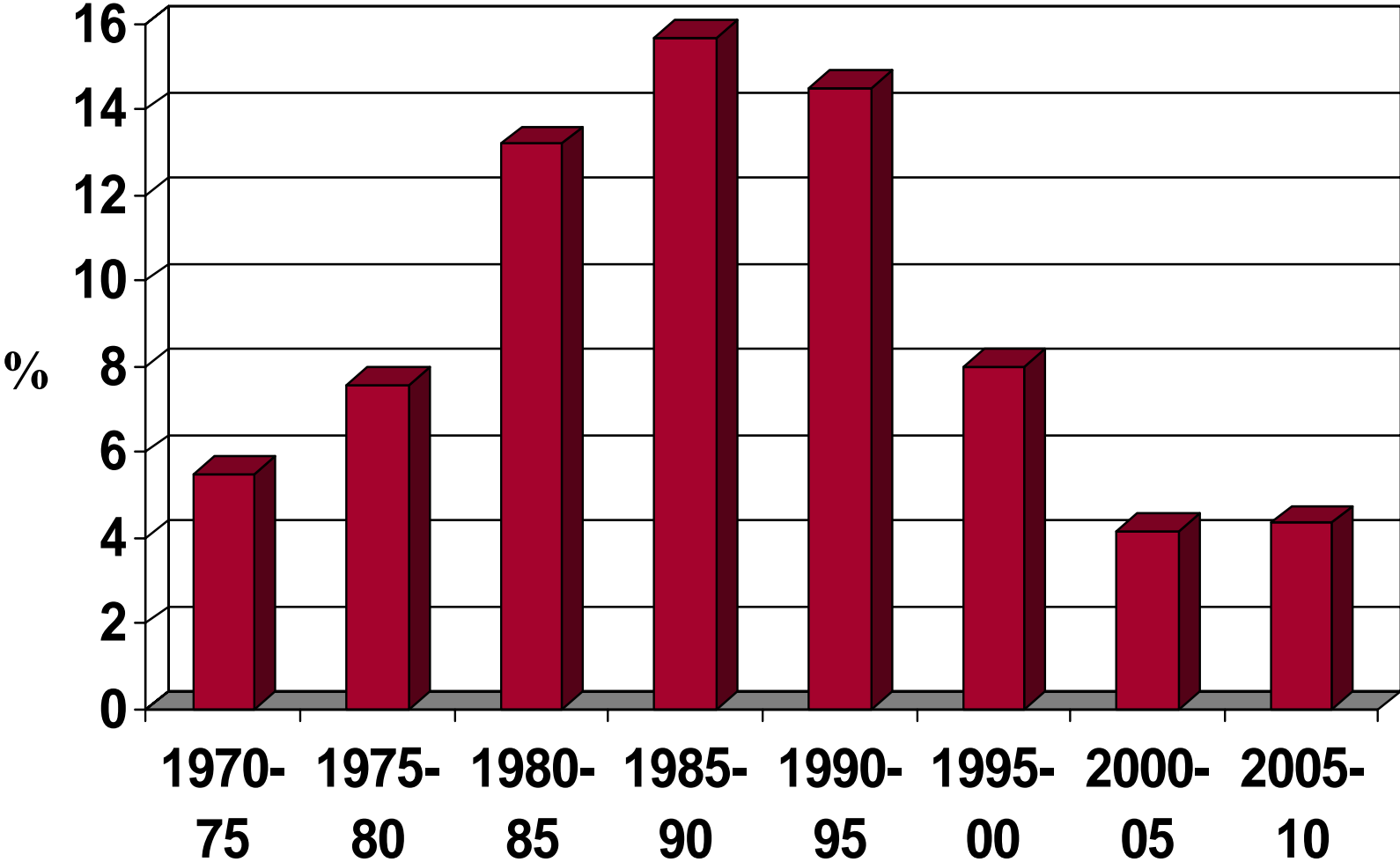
# Average GNP Growth - *Source ESRI*



## High Growth

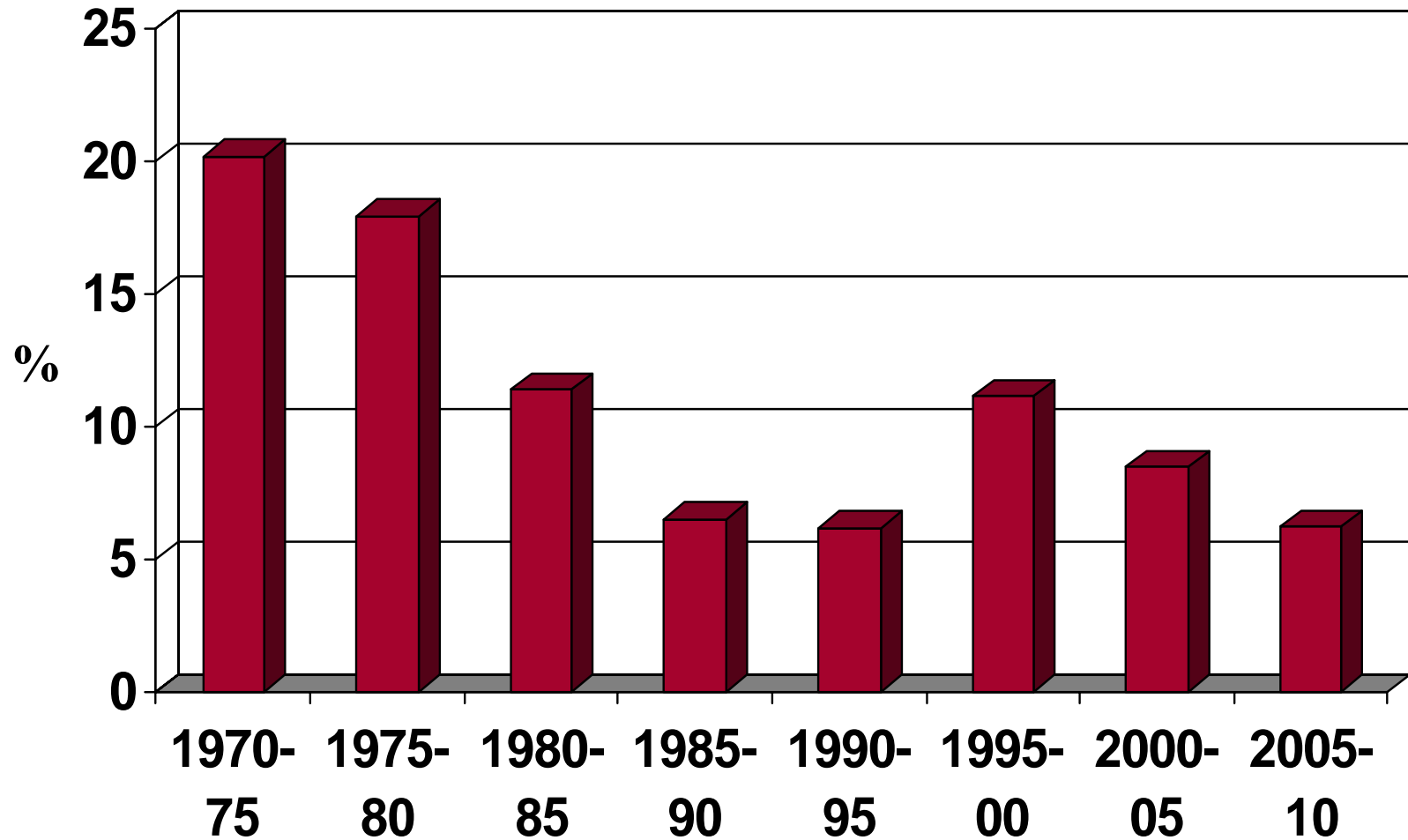


- Population Growth
- Change in Headship
- Obsolescence
- Second dwellings
- Migration



# Personal Disposable Income Growth -

Source *ESRI*

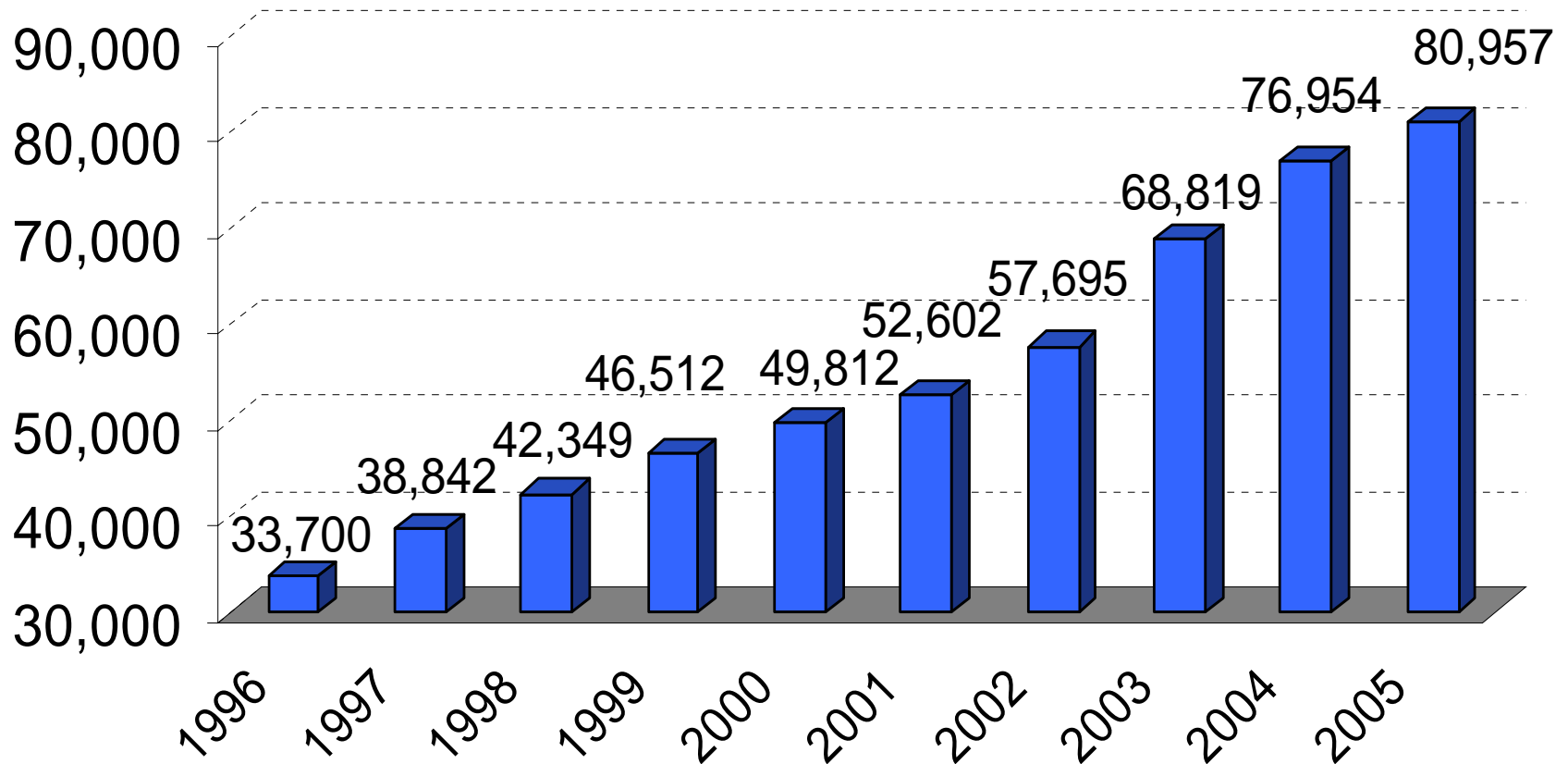


# *Summary*

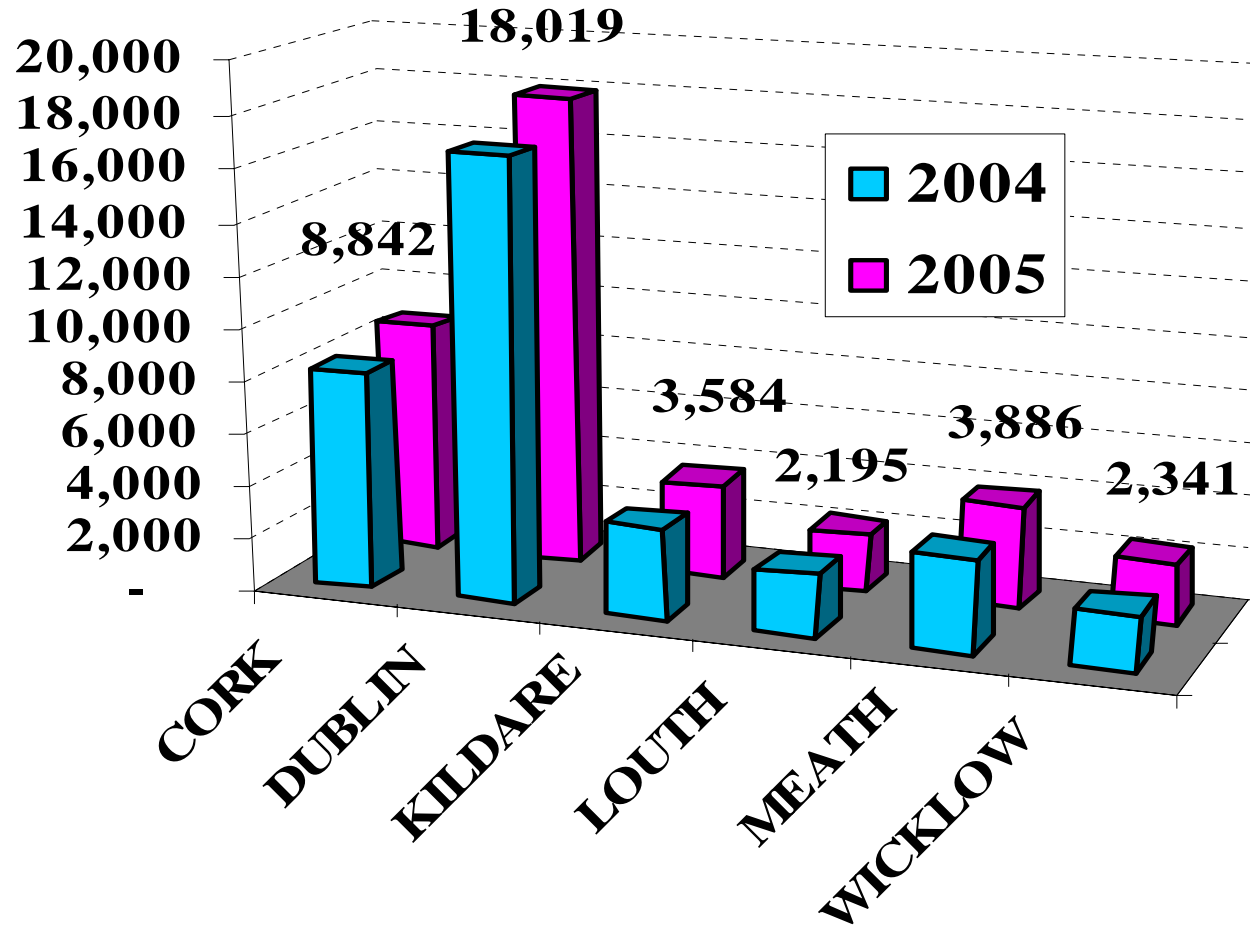
- ◆ **National house price growth in 2005 higher than anticipated at 9.3%.**
- ◆ **With a record number of house completions price rise for FTBs seems surprisingly strong though a switch by FTBs to existing house purchase, high % of completions concentrated in urban/commuter areas, and continued strong demand for new houses for investment/holiday home purposes would explain it.**
- ◆ **Continued strong economic indicators, rising disposable income & immigration levels suggest house price growth in 2006 of 10% is likely.**
- ◆ **All internal variables positive, watchouts are rate increases or world economic changes.**

# *Appendices*

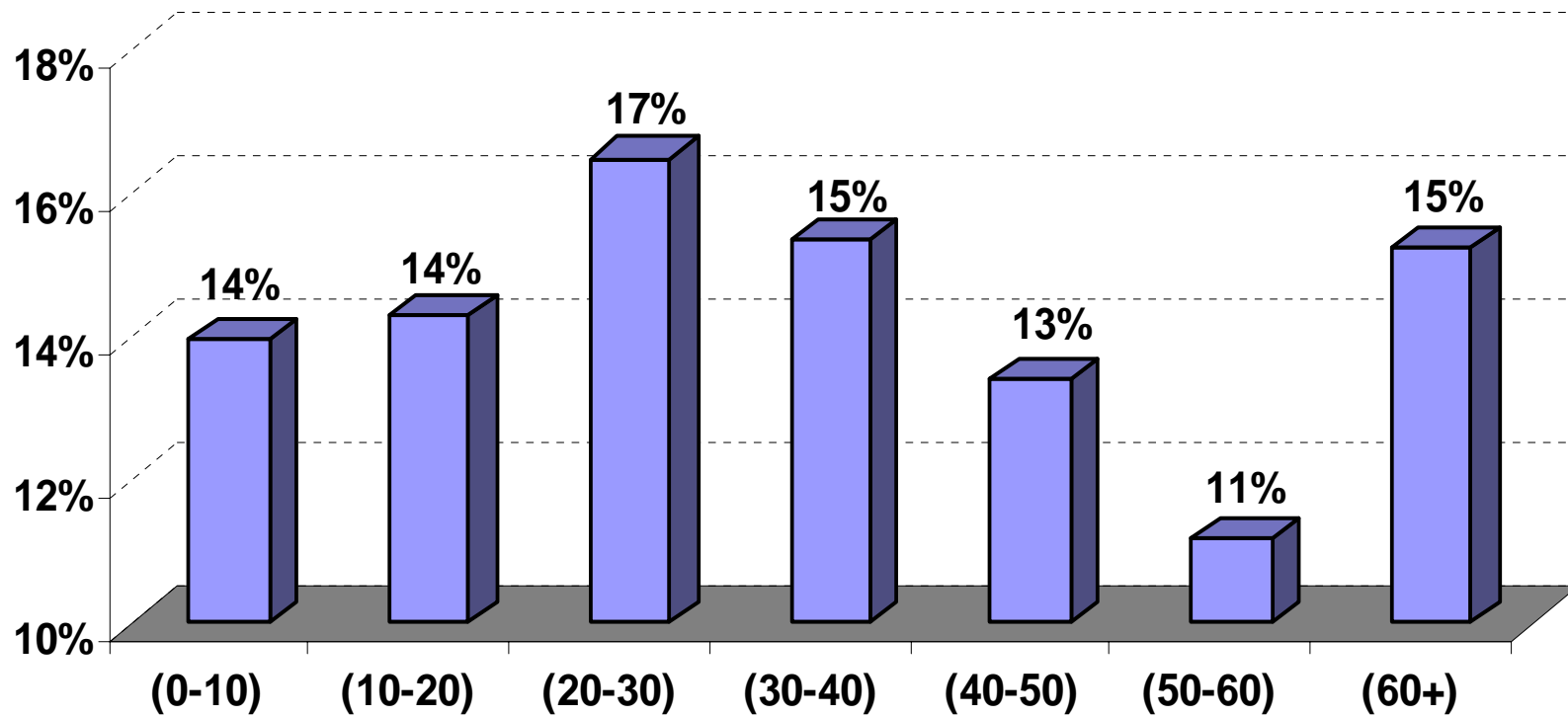
## HOUSE COMPLETIONS



Source: DOE



### Age range split of Ireland's 4.04m population



## REGIONAL LISTING

- ◆ **BORDER** - *Cavan; Donegal; Leitrim; Louth; Monaghan; Sligo.*
- ◆ **MIDEAST** - *Kildare; Meath; Wicklow.*
- ◆ **MIDLANDS** - *Laois; Longford; Offaly; Westmeath.*
- ◆ **MIDWEST** - *Clare; Limerick; Tipperary North.*
- ◆ **SOUTH EAST** - *Carlow; Kilkenny; Wexford; Waterford; Tipperary South.*
- ◆ **SOUTH WEST** - *Cork; Kerry.*
- ◆ **WEST** - *Galway; Mayo; Roscommon.*