

permanent tsb
House Price Index
2006 Review

- ◆ **National house prices in 2006 grew by 11.8%, 2.5% up on growth rate of 9.3% in 2005.**
- ◆ **Price growth nationally in the 1st half of 2006 (8.0%) was at more than twice the rate as in the second six months (3.8%).**
- ◆ **Price growth in Dublin (15.9%) and Commuter Counties (15.2%) in 2006 was higher than growth experience Outside Dublin (10.9%).**
- ◆ **Significant variation in price growth across the country, from 29% in Leitrim to 6% in Sligo.**
- ◆ **Annual rate increase for new house prices (9.6%) below national growth.**

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

Growth in 2006 highest since 2003.

| | 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 6 | 1 1 . 8 % | 1 5 . 9 % | 1 0 . 9 % |
| 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 '06

290%

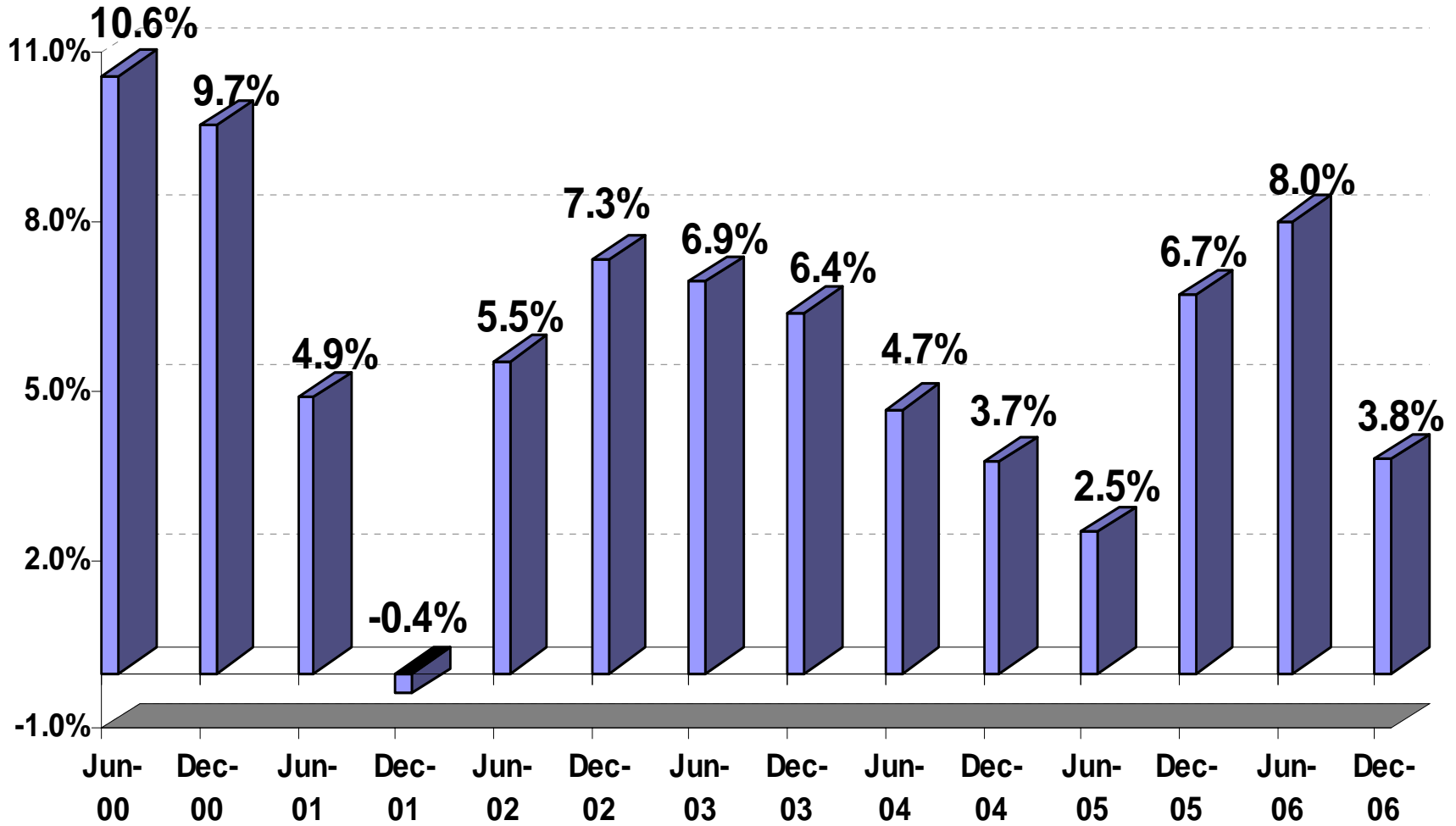
363%

262%

December prices

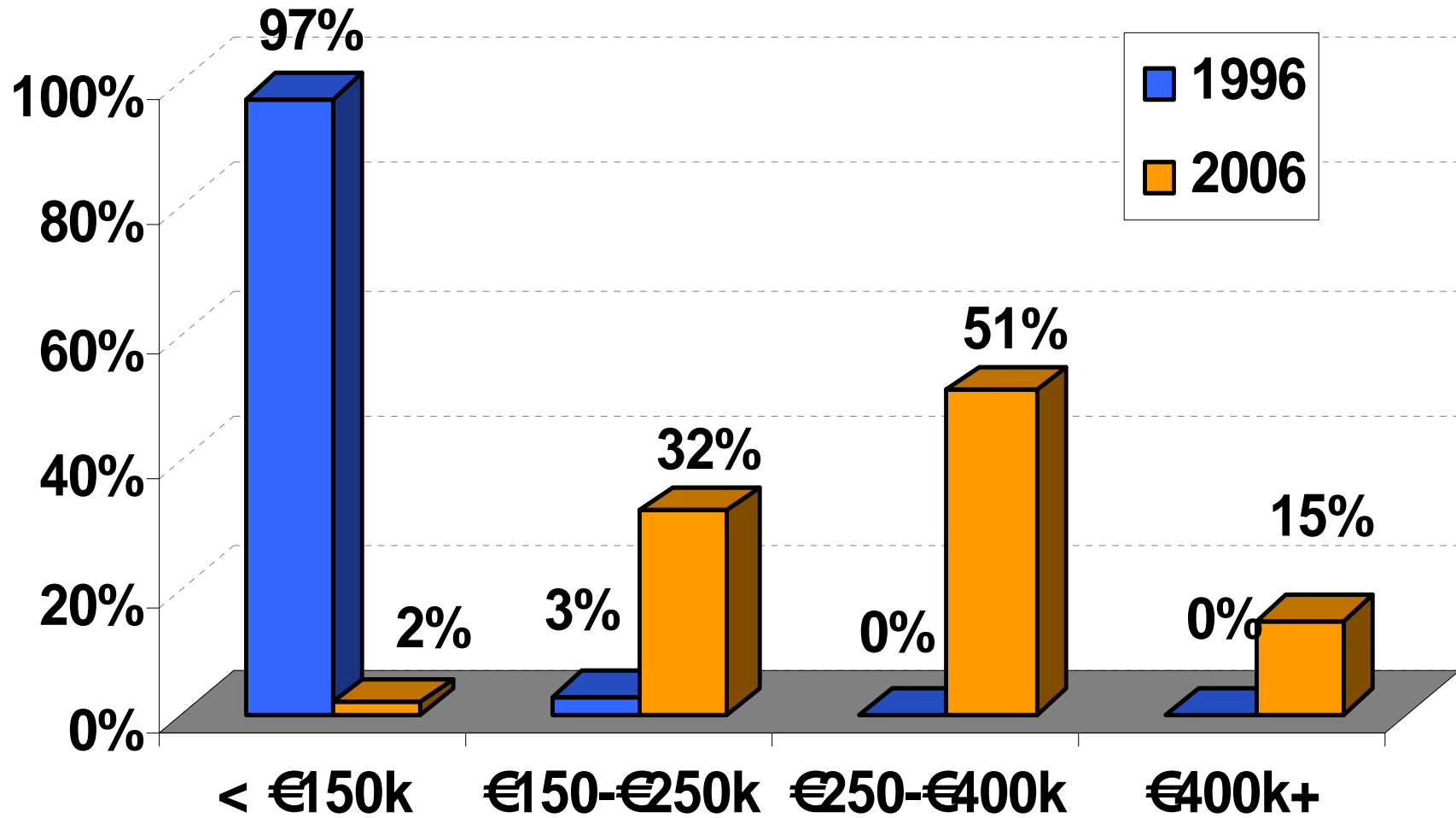
National House Prices

Majority of growth concentrated in the 1st half of last year.



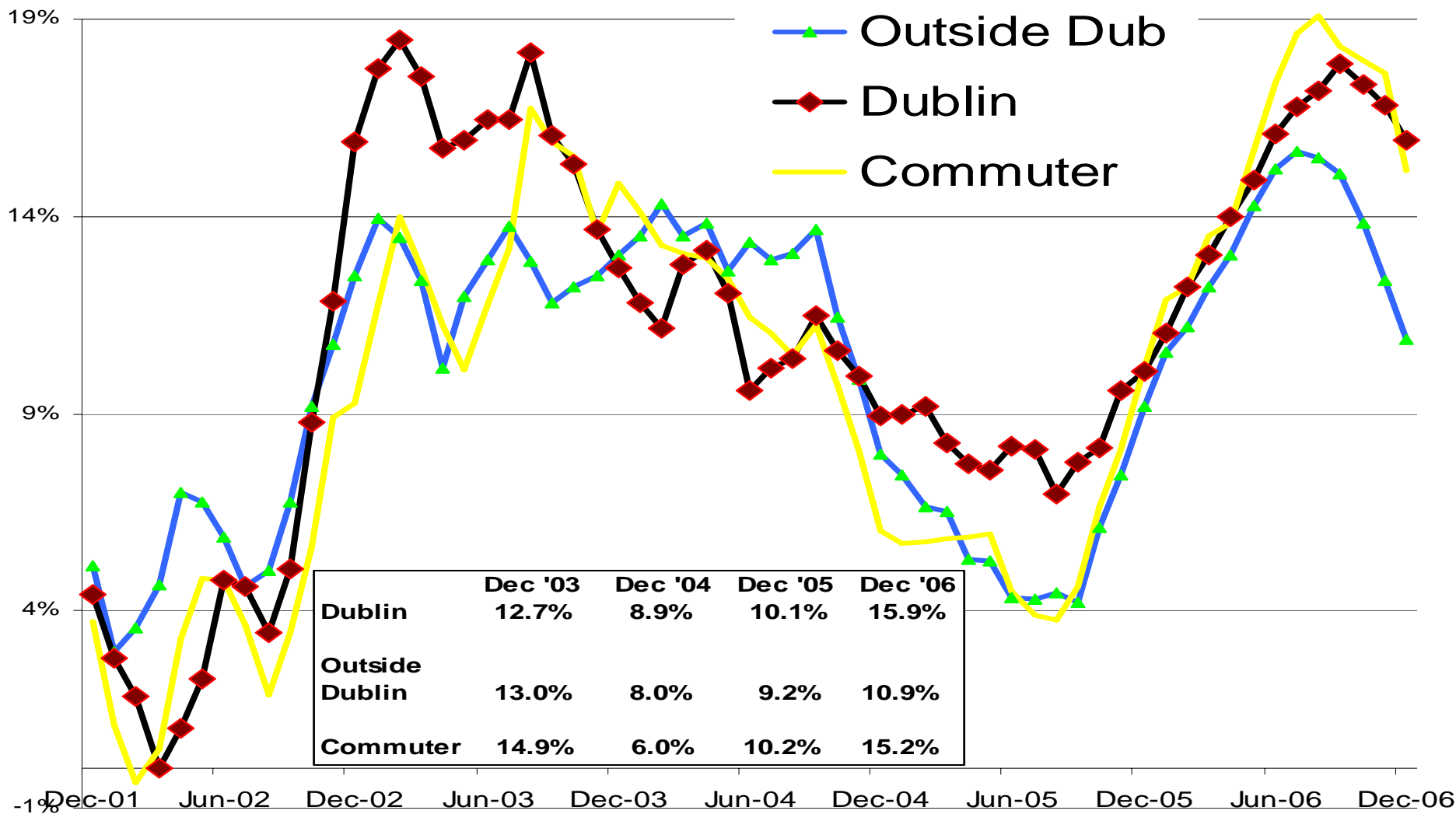
1996-2006 House Price Distribution

Changed significantly over the last 10 years

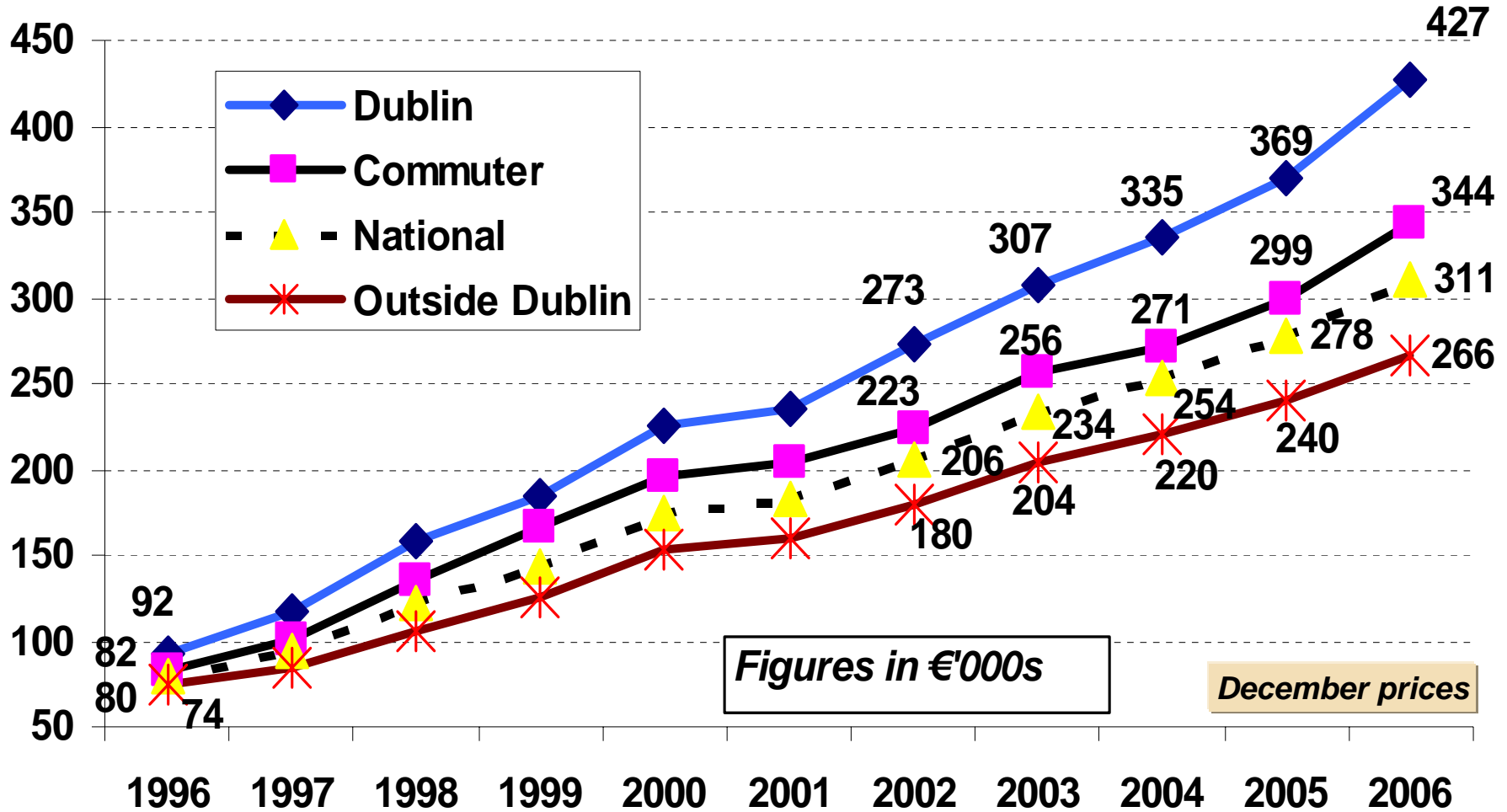


Dublin, Outside Dublin & Commuter counties

Close alignment of annual price growth rates broken with Dublin and Commuter Counties now in line while Outside Dublin prices finished last year growing 4.5%-5% less.

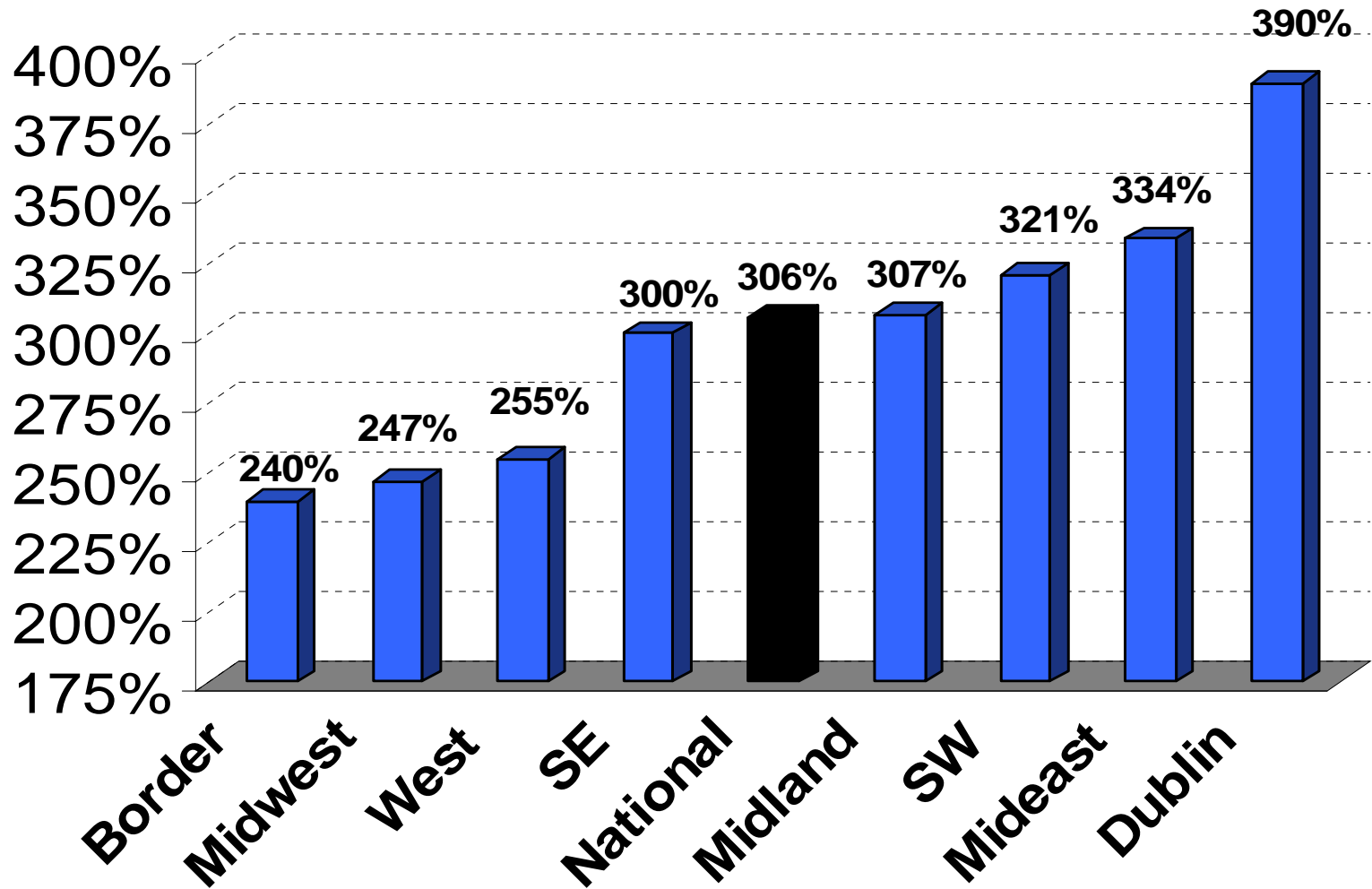


National & Regional Price Trends - gap between Dublin and others continues to widen

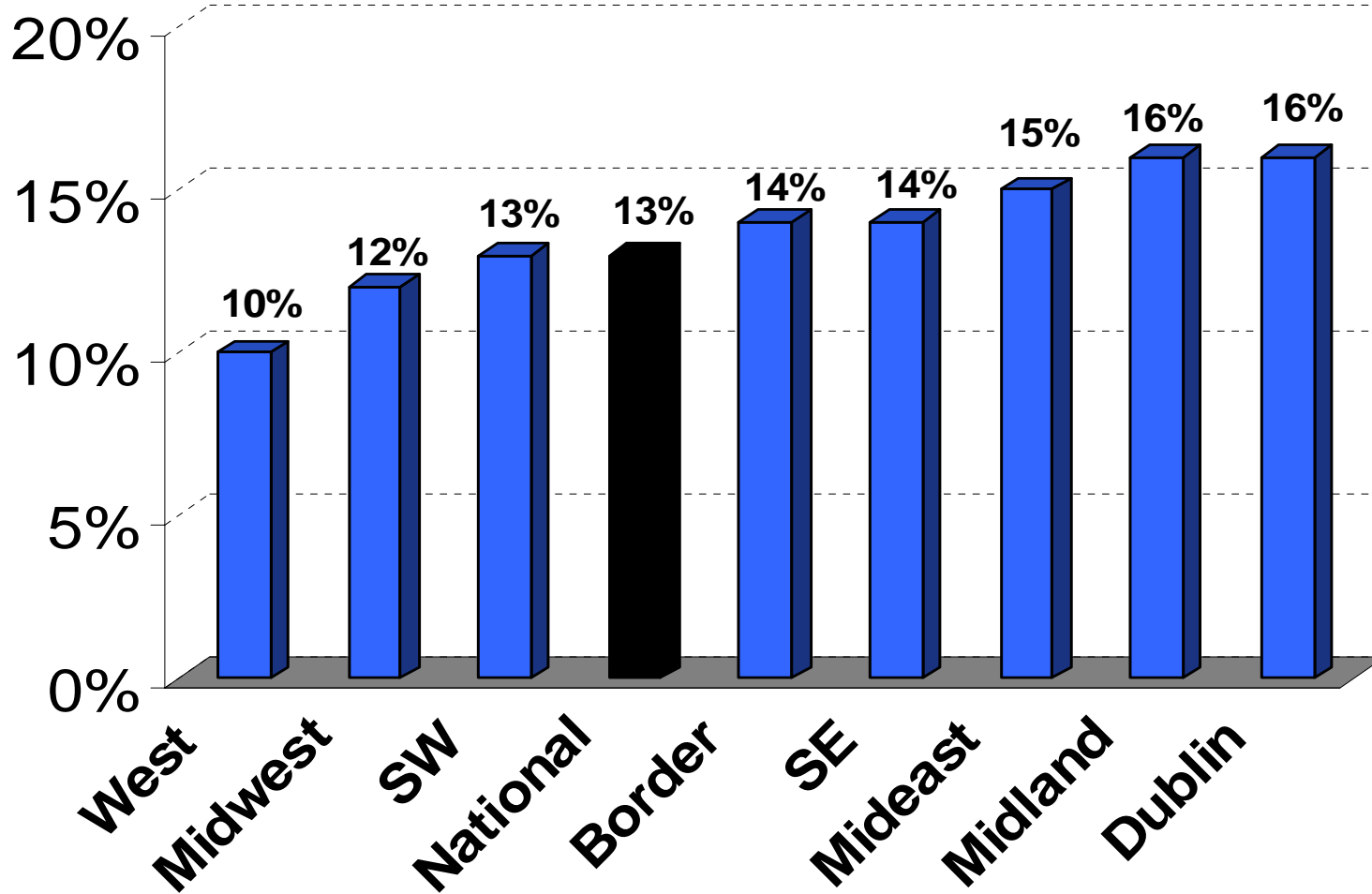


Regional House Prices - Growth since 1996

Dublin, Mideast, SW & Midland outstrip National growth.



Most regions growing at or close to national levels



County Average Price Trends

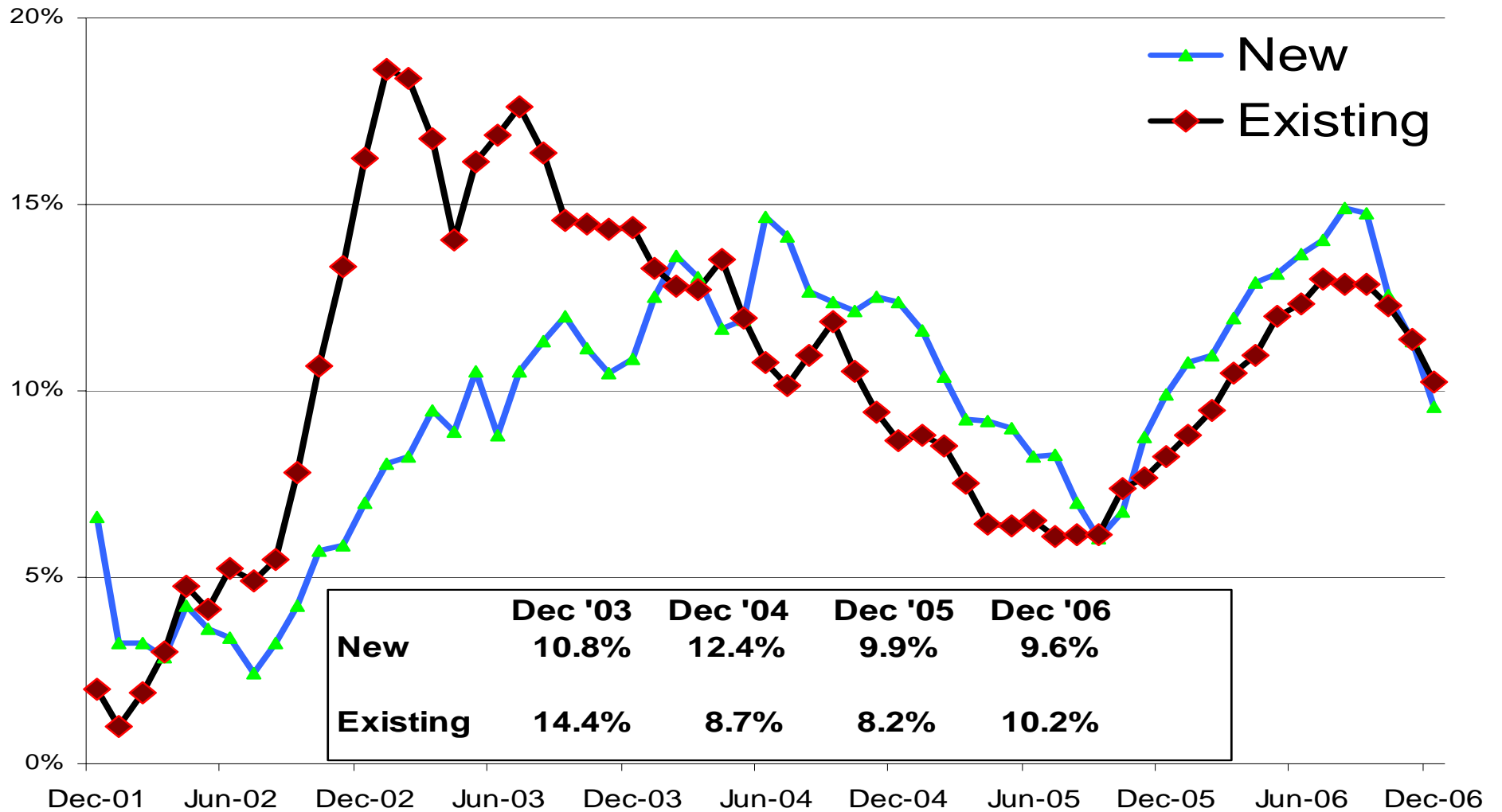
| | Growth '04-'05 | 2005 € | Growth '05-'06 | 2006 € |
|-------------|-------------------|---------|-------------------|---------|
| Dublin* | 10% | 368,576 | 16% | 427,343 |
| Wicklow | 11% | 347,158 | 12% | 388,827 |
| Cork City | 11% | 306,117 | 14% | 348,806 |
| Kildare | 6% | 307,589 | 10% | 337,757 |
| Meath | 10% | 296,508 | 14% | 336,959 |
| Cork County | 12% | 284,355 | 12% | 317,973 |
| Galway | 7% | 286,478 | 10% | 314,801 |
| Louth | 14% | 259,892 | 17% | 303,533 |
| Wexford | 13% | 244,042 | 18% | 289,128 |
| Kilkenny | 14% | 260,992 | 11% | 288,554 |
| Monaghan | 14% | 260,559 | 10% | 285,798 |
| Westmeath | 11% | 245,664 | 16% | 284,036 |
| Waterford | 6% | 244,629 | 11% | 271,324 |
| Kerry | 15% | 253,673 | 7% | 270,492 |
| Clare | 11% | 244,415 | 8% | 263,883 |
| Cavan | 14% | 236,749 | 11% | 262,954 |
| Offaly | 9% | 227,470 | 15% | 262,484 |
| Leitrim | 2% | 199,827 | 29% | 257,816 |
| Sligo | 4% | 241,217 | 6% | 256,602 |
| Laois | 6% | 225,231 | 14% | 256,340 |
| Limerick | 7% | 231,332 | 10% | 254,557 |
| Carlow | 9% | 237,685 | 7% | 253,908 |
| Roscommon | 12% | 221,509 | 12% | 247,087 |
| Mayo | 11% | 229,121 | 8% | 246,460 |
| Tipperary | 13% | 225,415 | 9% | 246,094 |
| Longford | 11% | 214,527 | 7% | 230,096 |
| Donegal | 3% | 205,155 | 9% | 223,237 |

Top & Bottom 3 Counties by 2006 growth rate

| | Growth '04-'05 | 2005 € | Growth '05-'06 | 2006 € |
|----------------|---------------------------|----------------|---------------------------|----------------|
| Leitrim | 2% | 199,827 | 29% | 257,816 |
| Wexford | 13% | 244,042 | 18% | 289,128 |
| Louth | 14% | 259,892 | 17% | 303,533 |
| | | | | |
| Carlow | 9% | 237,685 | 7% | 253,908 |
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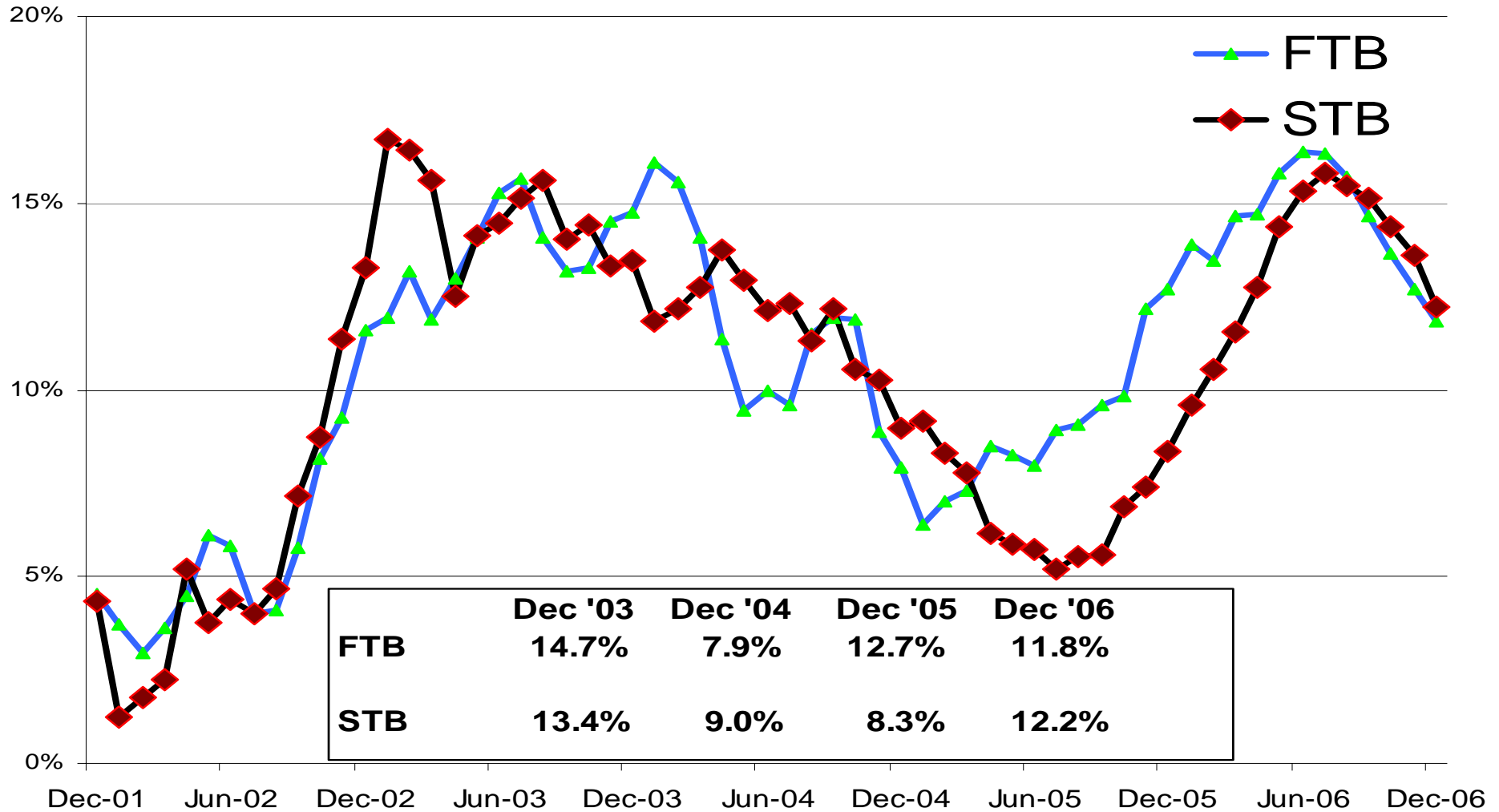
Existing versus new houses

Annual % growth in new and existing house prices now moving in closer alignment.

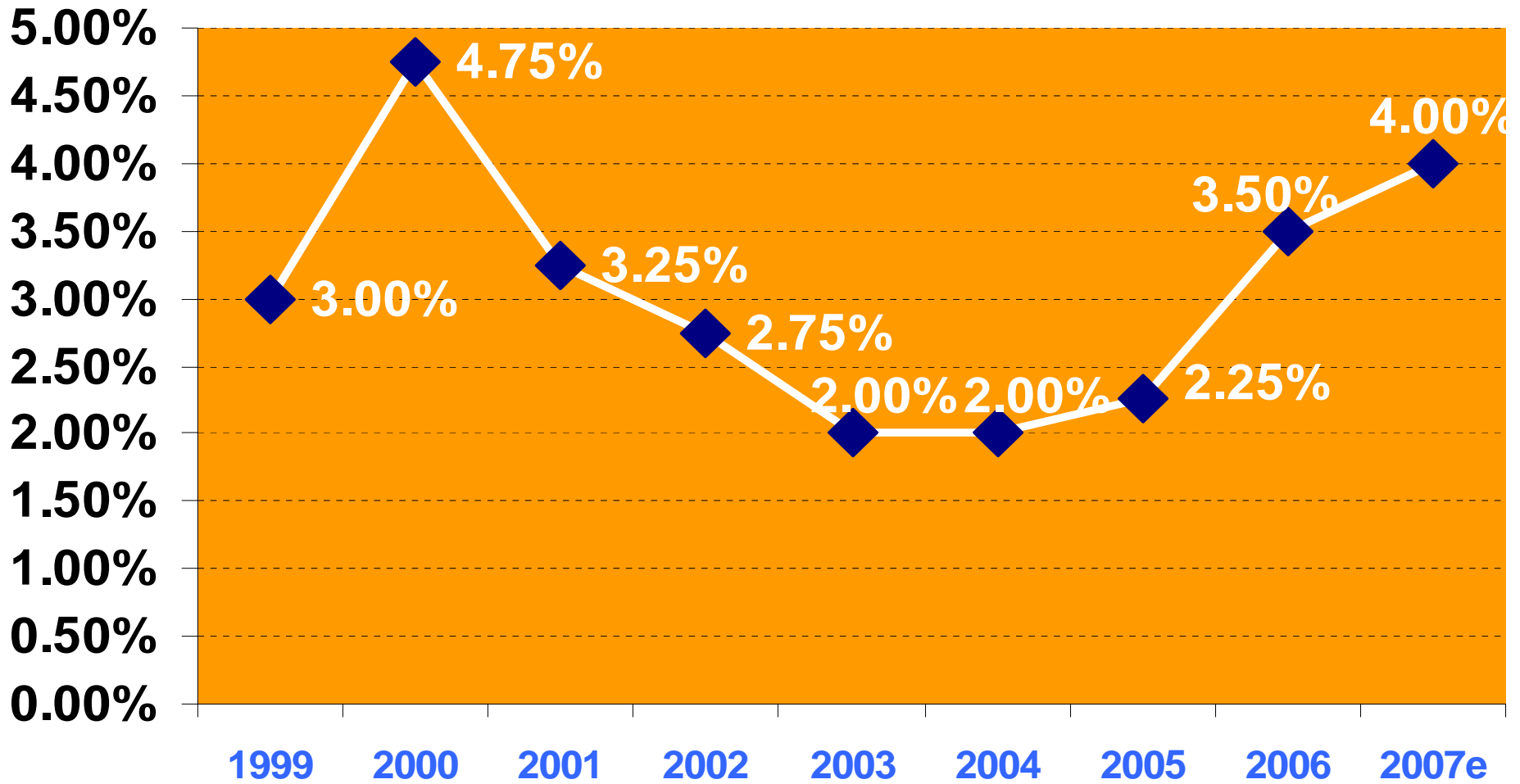


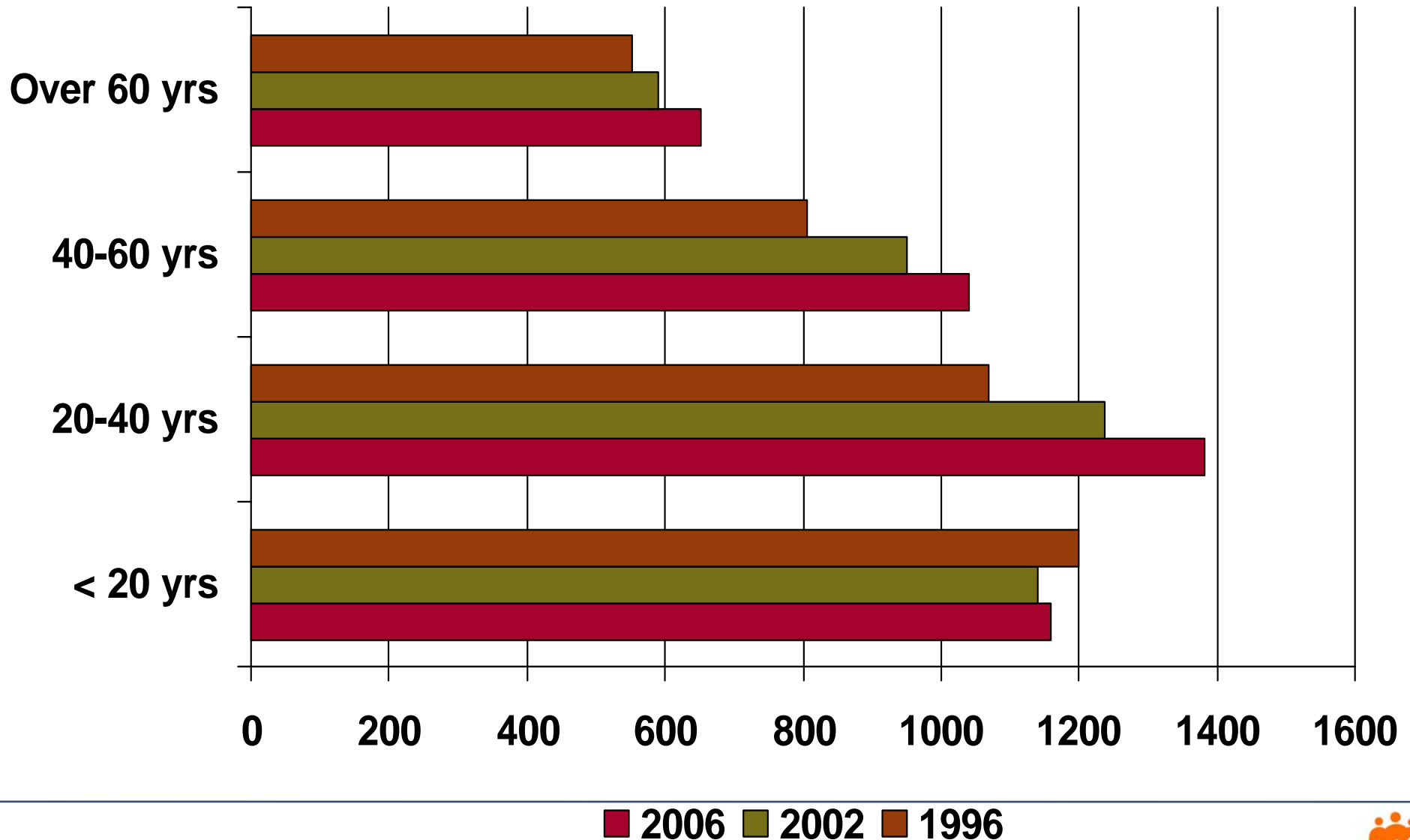
First versus second time buyers

FTB growth rates were ahead of rates for STBs until the later half of last year, when they began to move more in line.

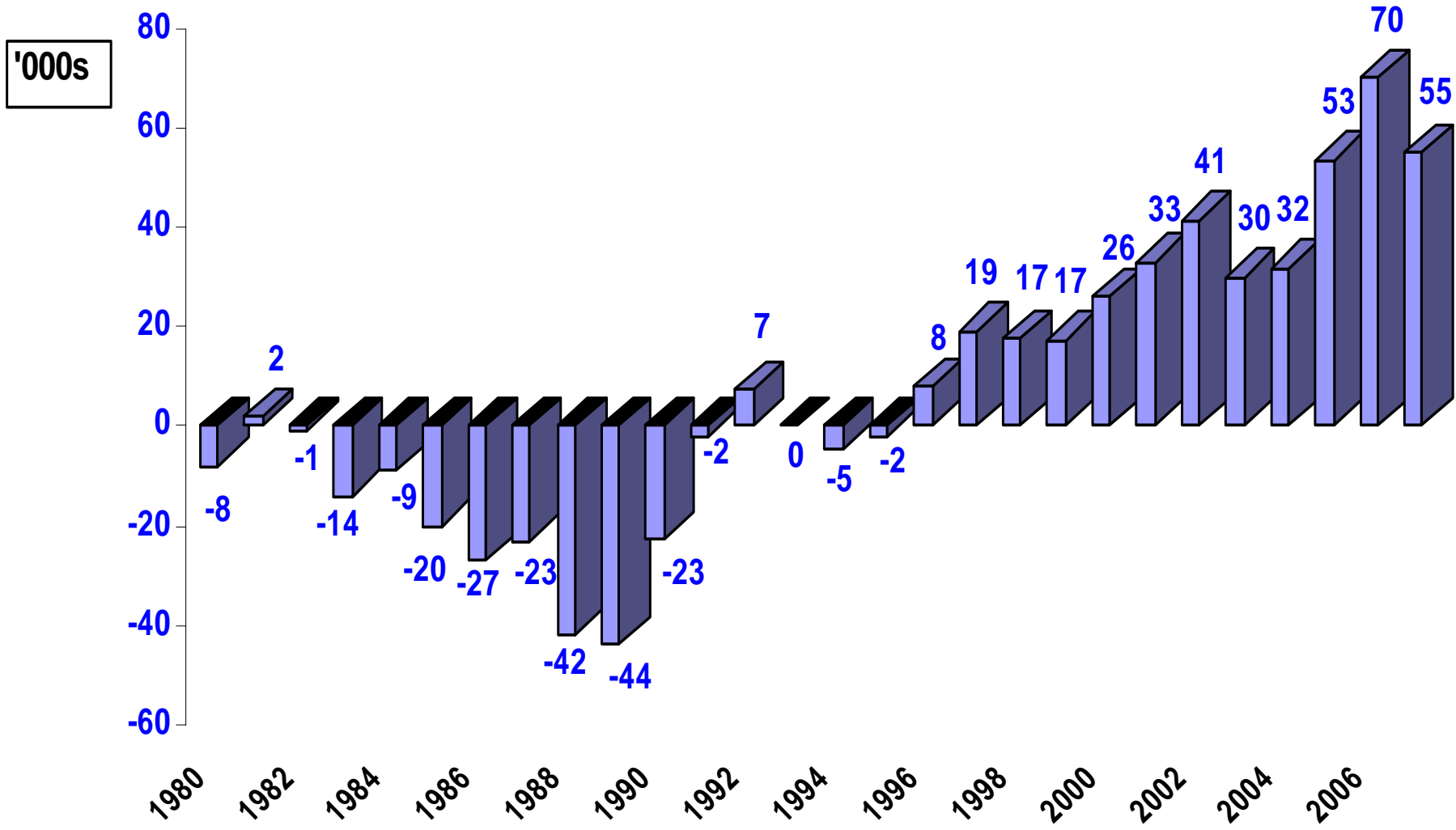


Demand Outlook



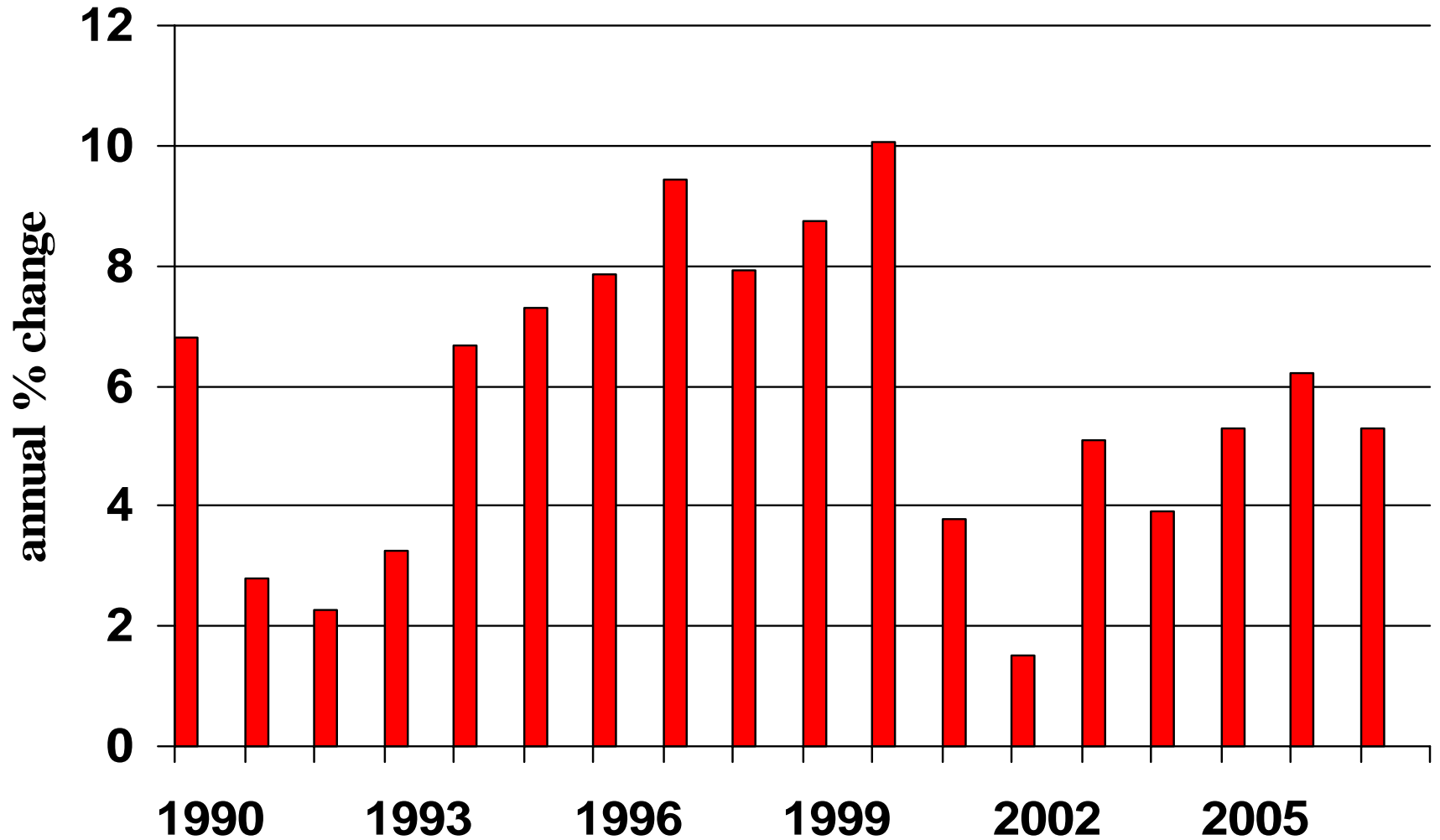


Net Inward Migration forecasted to be 55,000 in 2007 *Source ESRI*



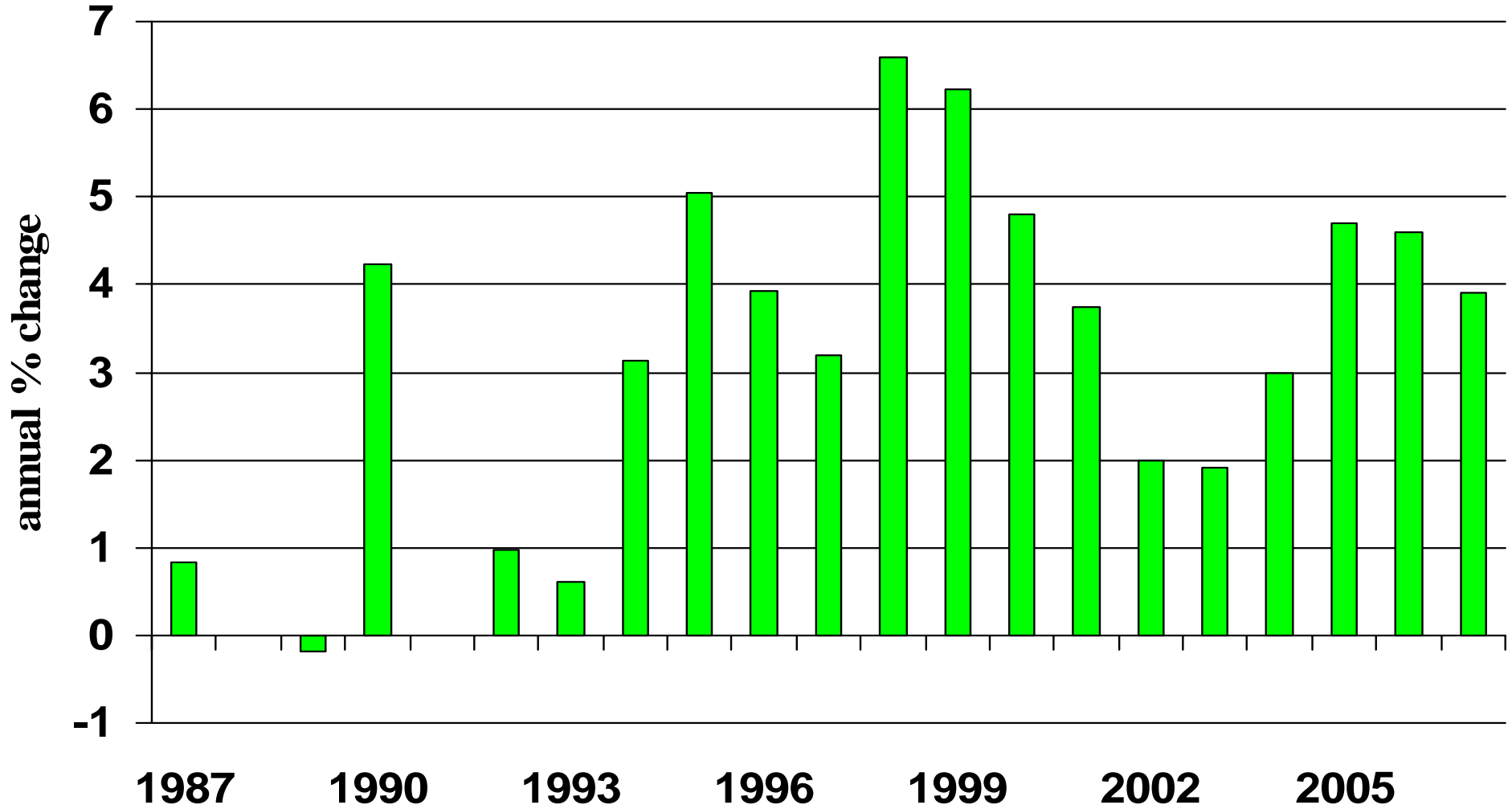
Economic growth (GNP) to out-perform EU average

Source ESRI

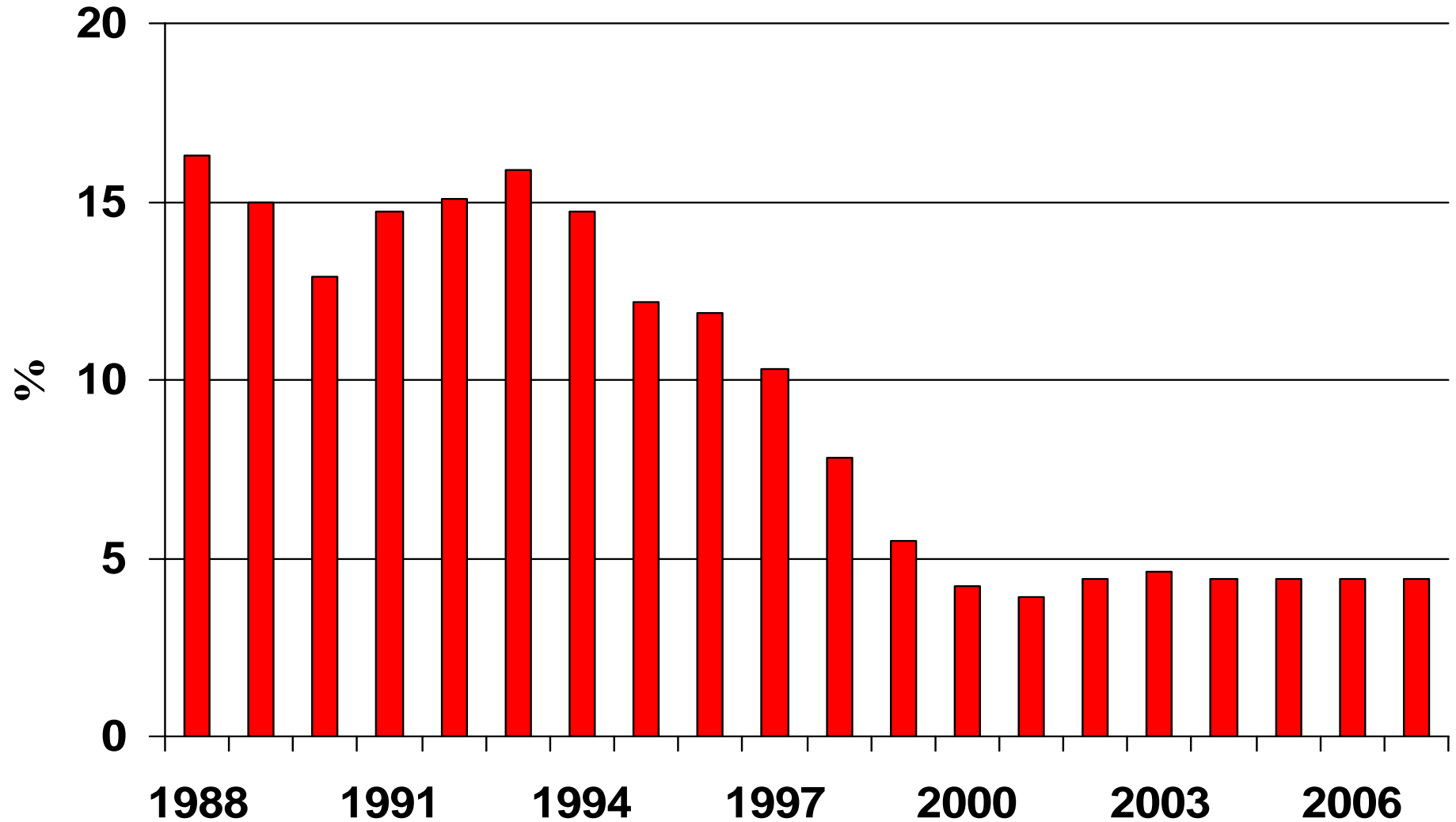


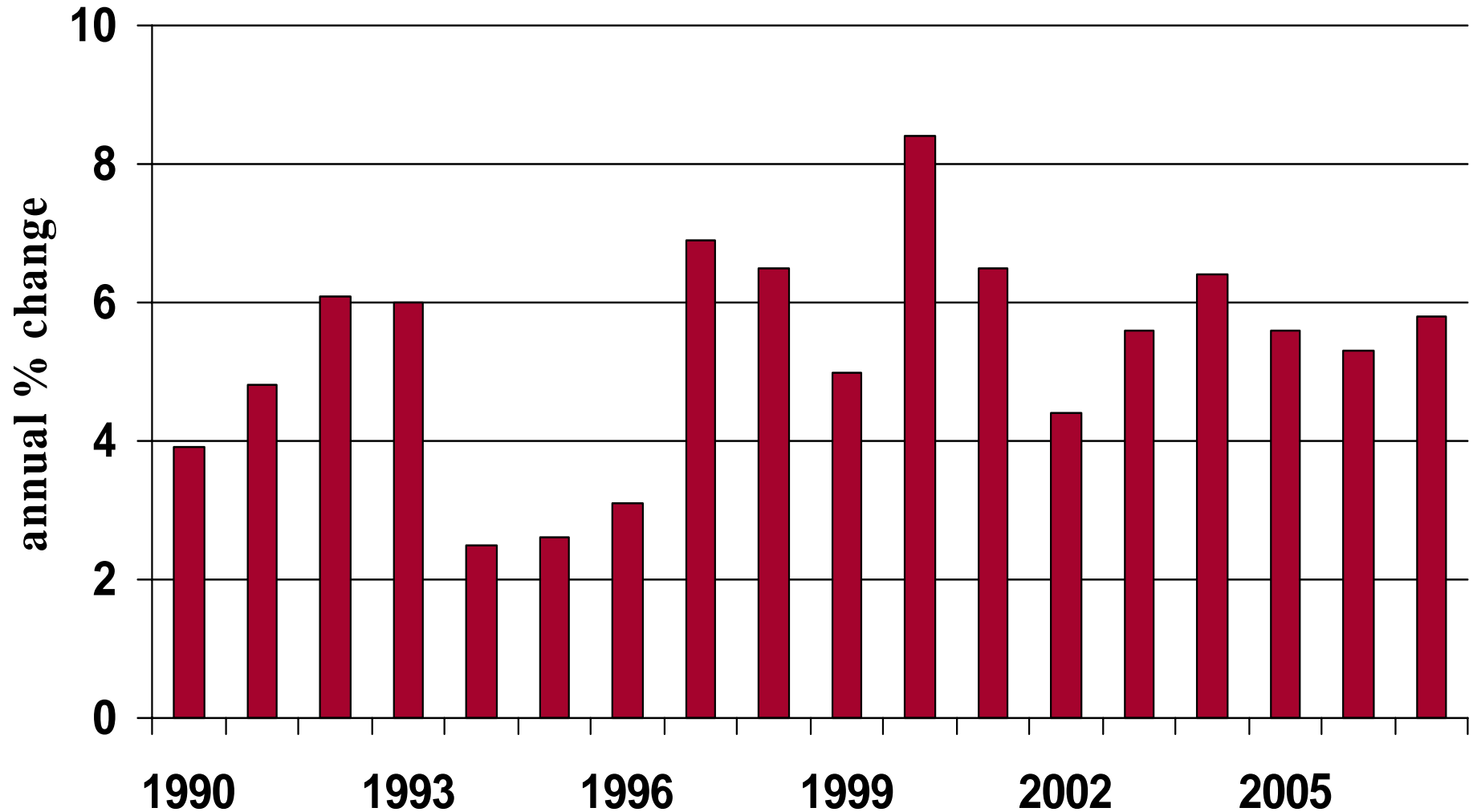
Employment growth to remain above long run average

Source ESRI



Unemployment rate continues to be lower than EU area average *Source ESRI*



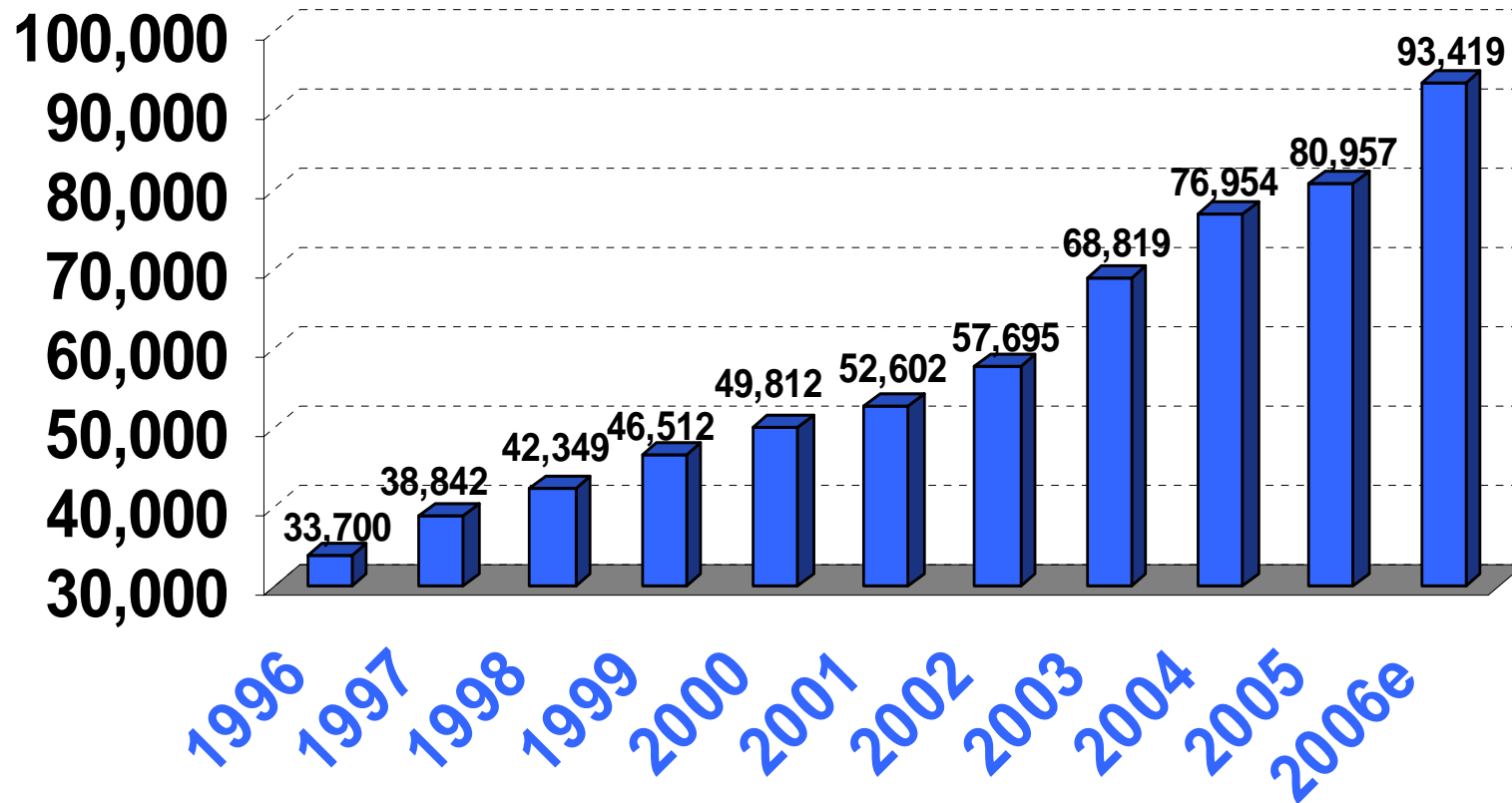


Summary

- ◆ **National house price growth in 2006 slightly higher than anticipated at 11.8%.**
- ◆ **Continued strong economic indicators, rising disposable income & high immigration levels.**
- ◆ **All internal variables positive, watchouts are higher than expected rate increases or world economic changes.**
- ◆ **Forecast growth 3%-6% for 2007.**

Appendices

House Completions



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.*