

## Rise in Housing Supply: *Planning, Completions and Purchases*

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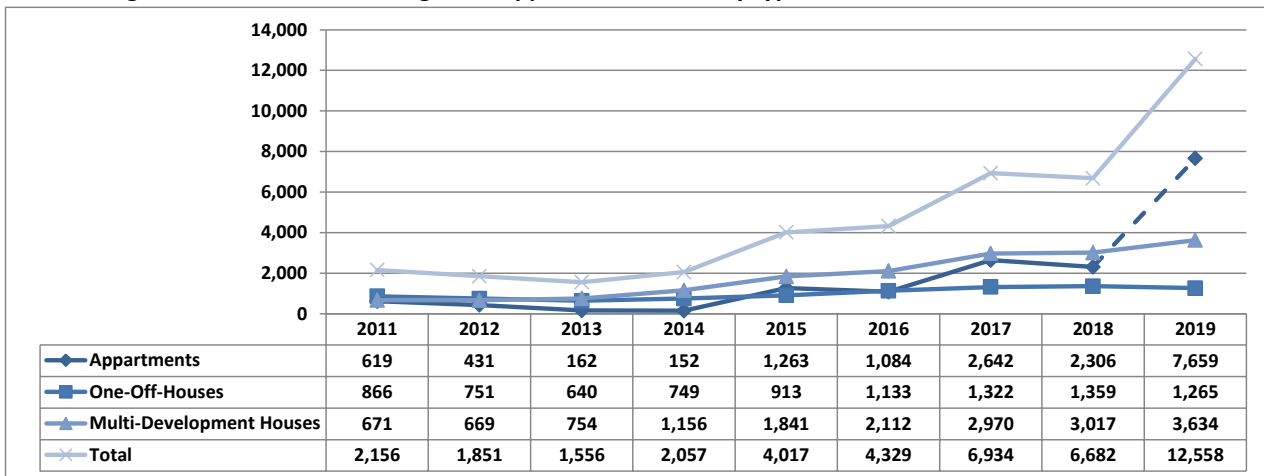
### **Key Point:**

There have been substantial increases in indicators of housing activity in recent years. The number of residential planning approvals increased from almost 1,556 in 2013 to 6,934 in 2017 and to over 12,500 in 2019 (Q4). The total number of dwelling completions increased from 1,641 in 2011 to 6,450 in 2019 (Q4). Scheme dwellings accounted for the greatest increase, rising by 3,585 units from 226 units in 2011 to 3,811 in 2019. The volume of residential purchases executed (i.e. properties legally transferred to buyers) has also increased from 1,560 in 2011 to almost 4,000 in 2019. Of these, the greatest proportional increase has been among first time buyers: increasing from 467 in 2011 to 1,374 in 2019, an increase of 194%. There has also been a substantial increase in the value of property: a 78% price rise between 2012 and 2019. Notwithstanding, the increase in supply, a study by the central bank suggests that a substantial undersupply of housing continues to remain. On average, it is estimated that around 27,000 houses would have been required per annum between 2011 and 2019. Actual residential completions during these years amounted to around 10,500 per annum.

### **Housing Supply: *Approved Planning Units and Dwelling Completions***

Figure 1 shows the number of dwelling units that received planning approval between the years 2011 and 2019 (Q4). The total number of dwellings units approved decreased between 2011 and 2013. As the economy improved, the total number of dwelling units approved increased from 1,556 in 2013 to 6,934 in 2016, and to almost 12,560 in the fourth quarter of 2019, representing an increase of over 11,000 units from 2013. Of the total number of dwelling units approved in 2019, 7,660 were apartments and almost 5,000 were houses. Since 2018 the total number of apartment planning permissions granted have increased substantially from 2,306 units to almost 7,660 in 2019. Planning permissions approved for One-Off-Houses decreased by 94 and Multi-Development increased by 617 between 2018 and 2019 (Q4).

**Figure 1: Number of Dwelling Units approved classified by type of unit, Q4 2011 to Q4 2019**

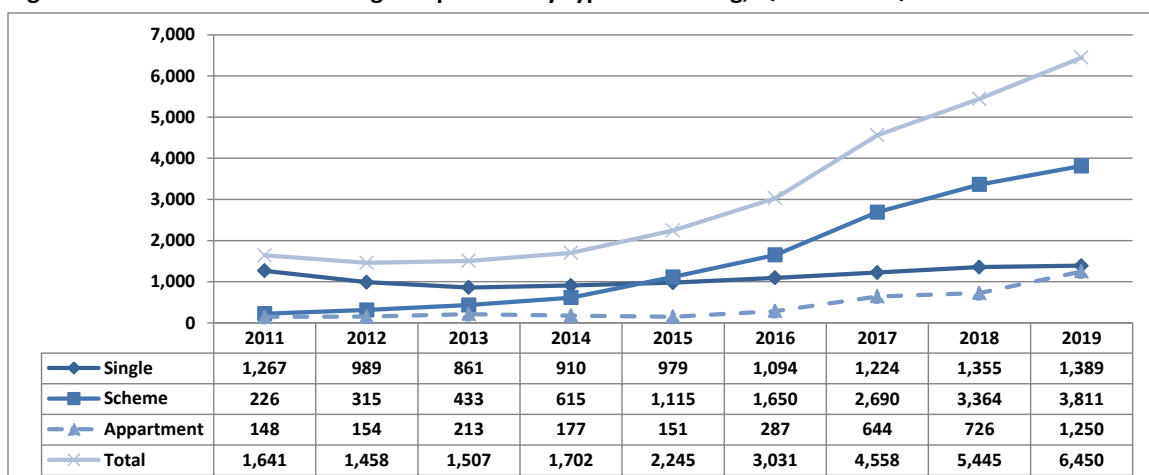


Source: CSO (2020a)

Figure 2 shows dwelling completions between the years 2011 and 2019 (Q4). The total number of dwelling completions decreased from 1,641 in 2011 to 1,458 in 2012. Seven years later, the total number of housing completions had increased substantially to 6,450 units, an increase of almost 5,000 units on 2012. During these years (2011-19), the biggest growth can be seen for scheme dwellings: rising from almost 226 dwellings in 2011 to 3,811 in 2019, an increase of 3,585 units. Apartment dwelling completions have also risen substantially during these years: from 148 units completed in 2011 to 1,250 in 2019. Single house completions decreased between the years 2011 and 2013 but then increased to almost 1,400 units in 2019.

The rise in dwelling completions is also reflected in CSO indices on the increased level of activity in the construction sector during these years. Over time, the volume of residential building has continued to rise: increasing by 32% on quarter 4 2018 and by 223% on 2011 (CSO, 2020b).

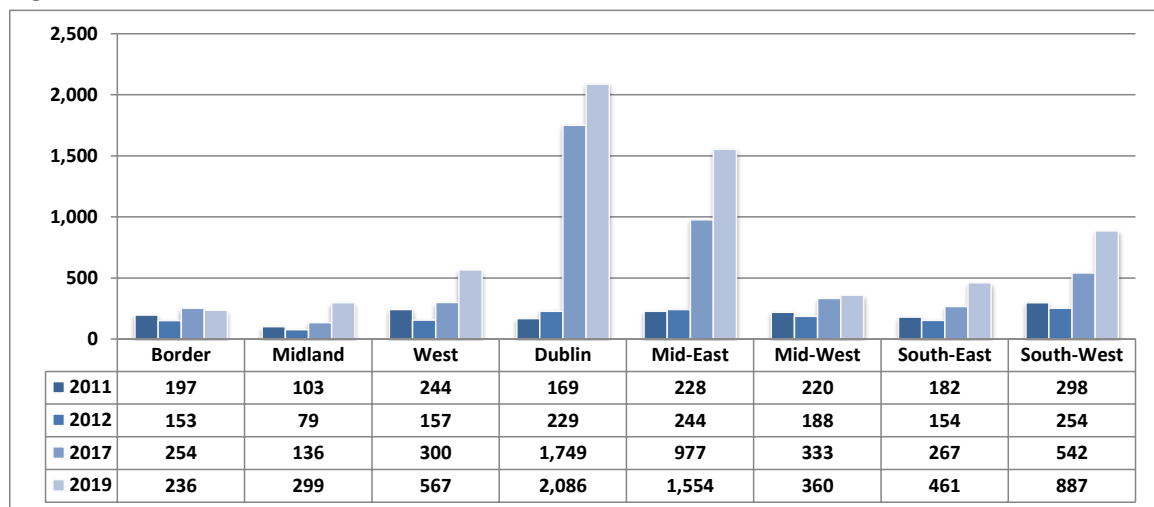
**Figure 2: Number of new dwelling completions by type of dwelling, Q4 2011 to Q4 2019**



Source: CSO (2020c)

Figure 3 shows the total number of dwelling completions by NUTS region between 2011 and 2019<sup>a</sup>. Dwelling completions decreased across all regions between 2011 and 2012, except for the greater Dublin region which increased to 229 units (+60) and the Mid-East region which increased to 244 units (+16). Seven years later the number of dwellings completed has increased across all NUTS regions. The greatest number of dwelling completions was seen in the greater Dublin region at over 2,000 units in 2019: representing an increase of 1,857 units from 229 in 2012. Growth in this region was followed by the Mid-East (+1,310), South-West (+633), West (+410), South-East (+307) and Midland (+220). Growth in the total number of dwelling completions was lowest in the Border (+83) and Mid-West (+172) regions between 2012 and 2019.

**Figure 3: Number of new dwelling completions by NUTS Regions, Q4 2011 to Q4 2019**

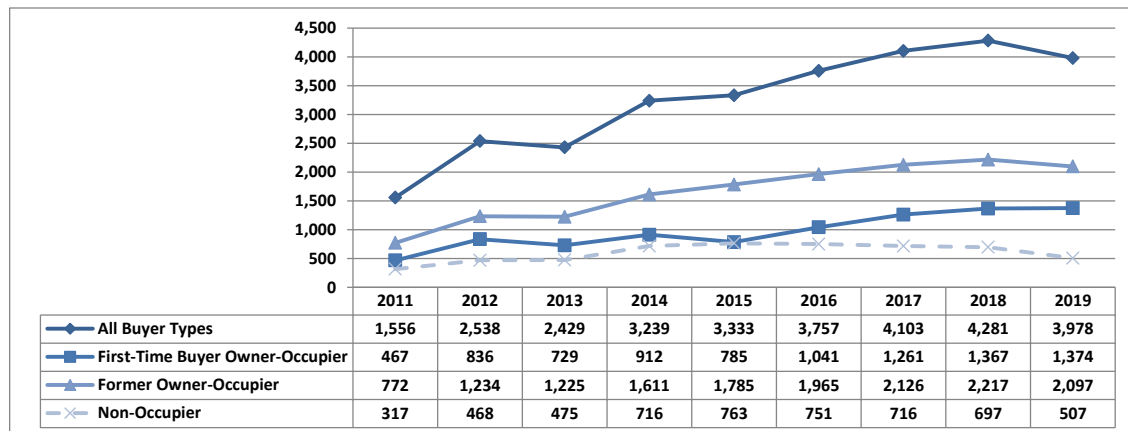


Source: CSO (2020d)

### Residential Sales and Prices

Since 2011, there has also been a general rise in the volume of residential purchases and the value of property prices. Figure 4 shows the volume of residential purchases executed (properties legally transferred to buyers) by buyer type between the years 2011 and 2019. The total volume of purchases executed increased from almost 1,560 in 2011 to 4,281 in 2018. The volume of purchases declined by 7% between 2018 and 2019. The greatest proportional increase has been among first time buyers: rising by 907 (+194%) residential purchases on 2011. The proportion of former owner-occupier buyer purchases has also increased overtime: rising by 1,325 or 172% from 772 purchases in 2011 to over 2,000 in 2019. By contrast, non-owner occupiers (i.e. buy-to-let buyers) purchases increased from 317 in 2011 to 763 in 2015 and then decreased to 507 in 2019: representing an overall decrease of 190 purchases (-60%) on 2011.

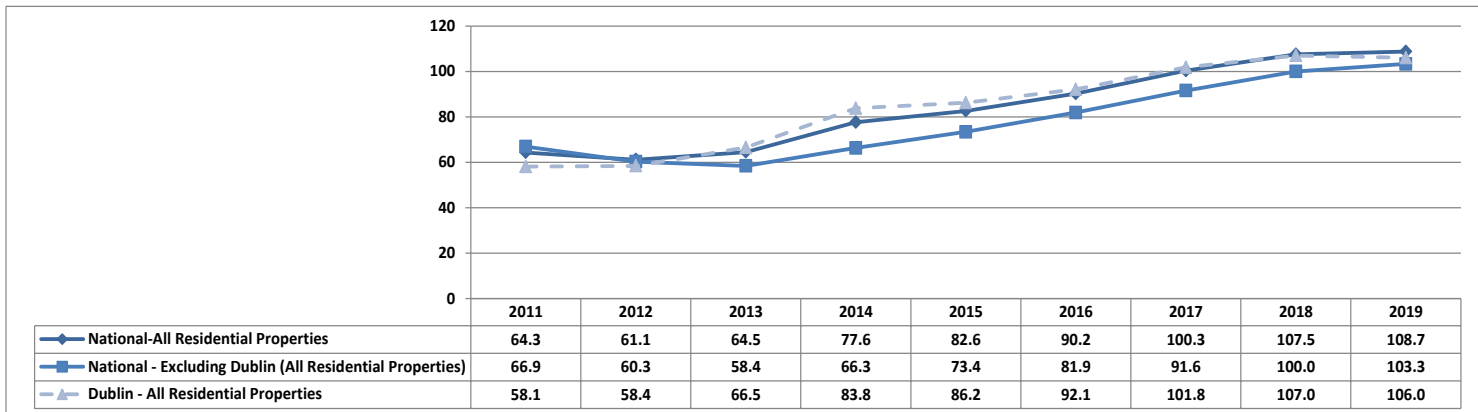
**Figure 4: Volume of market dwelling purchases (New and Existing) executed by type of buyer, 2011-2019 (November)**



Source: CSO (2020e)

Figure 5 shows the residential property price index between the years 2011 and 2019. Residential property prices nationally decreased by 5% between 2011 and 2012, but then rose steadily by 78% between 2012 and 2019. In Dublin, residential properties continued to rise during these years: increasing by 82% between the years 2011 and 2019. Conversely, residential properties outside Dublin were 10% lower in 2011 compared to 2012, but then increased by 71% between 2012 and 2019.

**Figure 5: Residential Property Price Index, 2011-2019 (November)**



(Source: CSO, 2020f)

Table 1 shows the Median Value of new and existing dwellings between the years 2011 and 2019. Nationally, the overall median price of new houses was almost €350,000 in 2019, while the median price of existing houses was €235,000. The highest median prices were for new houses in Dublin, €397,000. Outside the Dublin Region the highest median values were in the South-West €343,000, and the Mid-East (€322,500), while the Border Region had the lowest median price at just over €185,000 for new houses. Nationally, the median value of new houses decreased between 2011 and 2013 by almost €4,950 (-3%), but then increased to almost €350,000 in 2019. This represents an overall increase of just over €200,000 or 133% between 2011 and 2019. The region with the greatest

proportional rise in median value was the South-East: increasing by €158,500 or 194.5% from €81,500 in 2011 to almost €240,000 in 2019. The Border region had the lowest proportional increase at 34%, rising from €138,000 in 2011 to just over €185,000 in 2019.

In terms of existing houses, the Dublin region also held the highest median value at €355,500 in 2019. Outside Dublin, the highest median values for existing houses were in the Mid-East (€260,000), and South-West (€225,000), while the border region again held the lowest value at €127,500. Similar to the market for new houses, the median value for existing houses nationally declined by €10,000 (-6%) between the years 2011 and 2013, but then increased to €235,000 in 2019. This represents an overall increase of €65,000 or 38% between 2011 and 2019. The greatest proportional rise in the value of existing properties was the Dublin region: increasing by €125,500 or 55%, from €230,000 in 2011 to €355,500 in 2019.

**Table 1: Median value of new and existing dwellings by NUTS Regions, 2011-2019 (November)**

	2011	2013	2015	2017	2019	Numerical Value Change, 2011-19 (€)	% Value Change, 2011-19
<b>Border</b>							
New	138,213	67,000	113,500	157,500	185,005	<b>46,792</b>	<b>33.9%</b>
Existing	108,683	100,000	90,000	120,000	127,500	<b>18,817</b>	<b>17.3%</b>
<b>Midland</b>							
New	99,501	82,700	111,075	192,950	238,750	<b>139,249</b>	<b>139.9%</b>
Existing	110,000	83,750	106,000	147,500	165,000	<b>55,000</b>	<b>50.0%</b>
<b>West</b>							
New	198,625	89,250	124,925	169,000	290,000	<b>91,375</b>	<b>46.0%</b>
Existing	156,250	120,000	133,500	166,250	170,000	<b>13,750</b>	<b>8.8%</b>
<b>Dublin</b>							
New	240,211	265,150	477,500	369,999	397,375	<b>157,164</b>	<b>65.4%</b>
Existing	230,000	270,000	287,000	350,000	355,500	<b>125,500</b>	<b>54.6%</b>
<b>Mid-East</b>							
New	160,850	215,000	295,000	299,999	322,500	<b>161,650</b>	<b>100.5%</b>
Existing	175,000	150,000	195,500	230,000	260,000	<b>85,000</b>	<b>48.6%</b>
<b>Mid-West</b>							
New	164,049	119,525	156,630	240,000	305,000	<b>140,951</b>	<b>85.9%</b>
Existing	139,500	101,500	112,500	155,000	170,000	<b>30,500</b>	<b>21.9%</b>
<b>South-East</b>							
New	81,500	104,182	150,000	194,999	239,995	<b>158,495</b>	<b>194.5%</b>
Existing	120,000	100,000	130,000	165,000	170,000	<b>50,000</b>	<b>41.7%</b>
<b>South-West</b>							
New	190,610	144,999	179,330	305,211	342,661	<b>152,051</b>	<b>79.8%</b>
Existing	170,000	146,000	175,000	201,250	225,000	<b>55,000</b>	<b>32.4%</b>
<b>National</b>							
<b>New</b>	<b>149,950</b>	<b>145,001</b>	<b>234,797</b>	<b>311,662</b>	<b>349,999</b>	<b>200,049</b>	<b>133.4%</b>
<b>Existing</b>	<b>170,000</b>	<b>160,000</b>	<b>171,000</b>	<b>216,000</b>	<b>235,000</b>	<b>65,000</b>	<b>38.2%</b>

Source: CSO (2020e)

Despite the increased levels of activity in housing supply in recent years (2013-19), data from the central bank highlights that a substantial undersupply of housing persists. To keep pace with the rate of population growth and changes in household formation, the central bank estimates that an average of around 27,000 houses would have been required per annum between 2011 and 2019. Actual residential completions during these years amounted to around 10,500 per annum. On the assumption of unchanged headship, the central bank estimates that a further 34,000 homes would be required per annum to meet demand between 2020 and 2030 (Central Bank, 2019).

## References

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## Appendix 1

The regional classifications are based on the Nomenclature of Territorial Units (NUTS) classifications used by Eurostat. Each county in Ireland is broken down into the following regions:

- **Northern & Western NUTS Region:**
  - *Border* – Cavan, Donegal, Leitrim, Monaghan and Sligo
  - *West* – Galway, Mayo and Roscommon
- **Southern NUTS Region**
  - *Mid-West* – Clare, Limerick and Tipperary
  - *South-East* – Carlow, Kilkenny, Waterford and Wexford
  - *South-West* – Cork and Kerry
- **Eastern & Midland NUTS Region**
  - *Dublin* – Dublin City, Dun Laoghaire-Rathdown, Fingal and South Dublin
  - *Mid-East* – Kildare, Meath, Wicklow and Louth
  - *Midland* – Laois, Longford, Offaly and Westmeath

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<sup>a</sup> See Appendix 1 for list of counties in each NUTS Region.