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Property prices in Wicklow to continue increasing for next 3 years

A recent survey of property professionals suggests that national house prices are set to rise by 7% this year and by 15% in the next three years with agents in the Leinster region expecting house prices to increase for at least another 3 years.

The lack of adequate levels of housing supply is one of the most influential factors attributed to house price inflation in Wicklow and other parts of the country.

The joint study carried out by the Society of Chartered Surveyors Ireland (SCSI) and the Central Bank of Ireland found that the number of Buy to Let properties coming onto the market is likely to rise in the immediate future.

The survey comes in the wake of an announcement by the Department of Housing Planning Community and Local Government to release 500

acres of state and semi state lands across major urban centres for development by the private sector, which includes land owned by Wicklow County Council.

Under the plan, the private sector will bid for development land which will be made available by full disposal, equity share or by license agreements. It is expected that the Minister's department will provide an oversight role to measure the number of residential units being constructed from this new initiative and to step in if sufficient progress is lacking.

The SCSI has continually questioned house com-

pletion figures published by the Department of Housing Planning Community and Local Government which is linked to ESB connections which do not provide a true and accurate record of actual new build completions. The SCSI is also playing a lead role in a cross industry government working group to help identify barriers to construction. This working group will examine construction costs and explore if changes in policy are required to speed up the delivery of housing.

Meath based estate agent Eamonn Gavigan said; "More Buy to Let

properties are coming out of negative equity and investors, by their own choice or by applied pressure, are disposing of properties to settle outstanding mortgaged debt".

According to the report, improvements in negative equity was cited as the main reason for Leinster based investors to leave the market whilst respondents in the Dublin region indicated that the introduction of recent rent restrictions was the biggest reason for a withdrawal of investors.

The survey highlighted the fact that the lack of new builds was the top factor influencing house price inflation which is also

impacting on the supply of adequate numbers of second hand stock to the market.

Gavigan, of DNG Royal in Navan said the survey underlined the fact that there were no quick fix solutions to the lack of supply. "With such a high rate of respondents to the survey predicting house price inflation for the next 3 years, this is a clear sign that the supply and demand imbalance in the market is likely to continue for some time. Until such time that new units are brought to the market, demand for both renting and purchasing property will remain high".