

All key indicators tracked during April and May 2017 show that the house-building sector is continuing to gather strength and pace.



Planning permissions for 17,934 new homes were granted in the twelve month period to end March 2017 (up 39% year on year). 75% of permissions currently relate to multi-unit developments.



Commencement Notices for 15,579 new homes nationwide were submitted in the twelve month period to end May 2017 (up 42% year on year). During May alone, 2,053 planned homes were notified as commencing to Local Authorities, the highest monthly return since March 2014, when the current data-series began.

ESB connections for the twelve month period to end May 2017 reached 16,340 homes across the country, a 19% increase year on year. 7,047 of these homes are in the Greater Dublin Area (i.e. the four Dublin Local Authority areas, plus Counties Kildare, Meath and Wicklow) which has seen a 33% increase in ESB connections in the past twelve months.



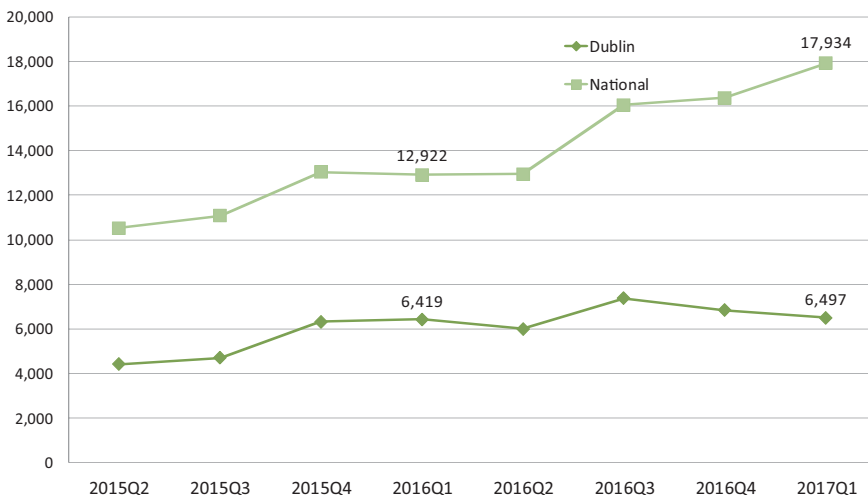
The recently published Residential Tenancy Board Rent Index shows a significant moderation in the rate of rent increases, with rents virtually flat during the first quarter of 2017. This is a welcome development and further updates will be closely watched in the light of the Rent Stability measures recently introduced by Government.

An explanatory note on the data is available at <http://rebuildingireland.ie/news/january-housing-activity-report/>. Comments or suggestions are very welcome – email rebuildingireland@housing.gov.ie



Planning Permissions up to March 2017

12 Month Rolling Total of Number of Units Granted Permission



Source: CSO

This data is gathered quarterly so the most up to date figures are up to the end of March 2017.

Planning permissions for **17,934** new homes were granted in the twelve month period to end March 2017, an increase of **39%** year on year.

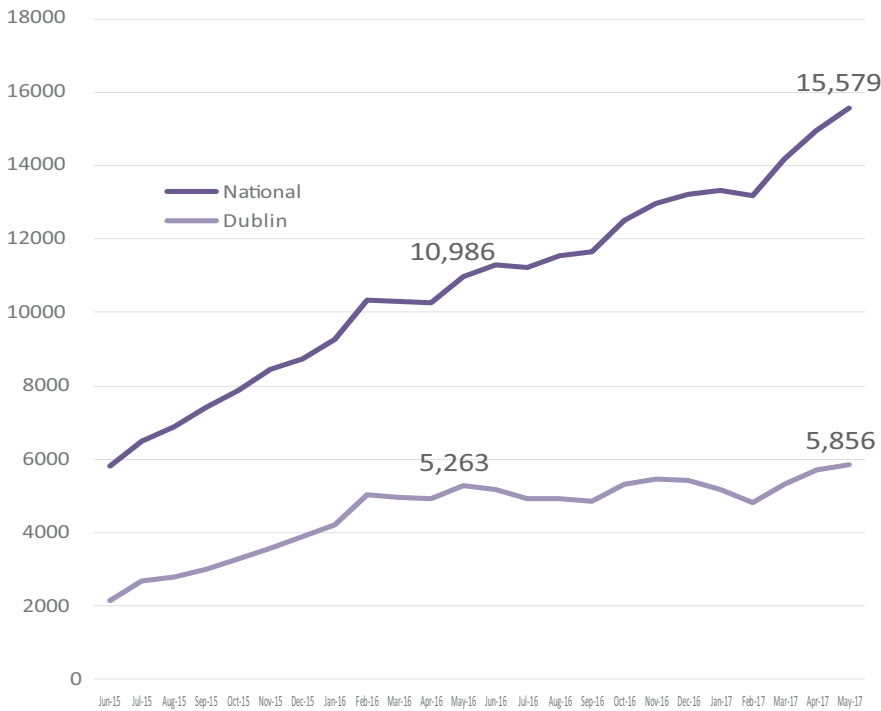
Of these, **10,518** are in the Greater Dublin Area (**6,497** in Dublin) and **7,416** in the rest of the country.

25% of national permissions relate to one-off houses, and **24%** of permissions relate to apartments.



Commencement Notices up to May 2017

12 Month Rolling National Total of Units Commenced



Source: DHPCLG/BCMS

Commencement Notices for **15,579** new homes were submitted in the twelve month period up to end May 2017, an increase of **42%** year on year.

The total number of housing units recorded on Commencement Notices lodged during May 2017 was **2,053**. This represents the highest level of commencement activity seen in a single month during the last 3 years.

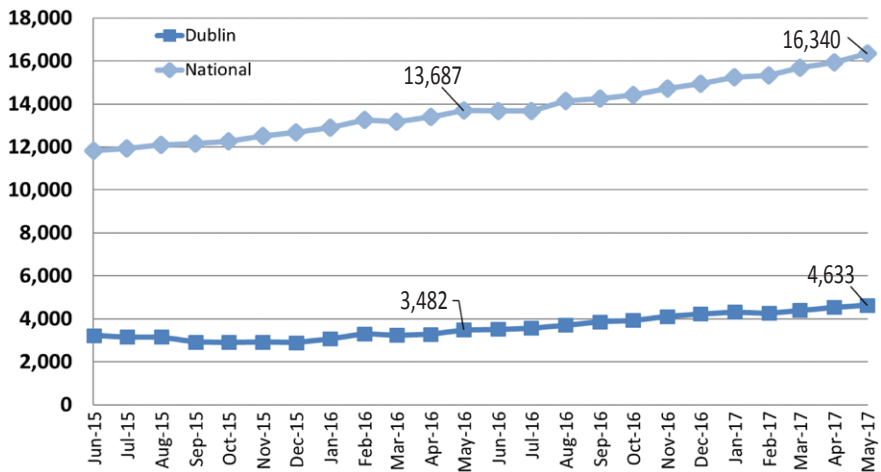
9,053 of the commencements for the twelve months to end May 2017 are in the Greater Dublin Area (of which **5,856** are in Dublin) and **6,526** in the rest of the country.

29% of notices nationally in the twelve month period up to end May 2017 relate to one-off houses.



ESB Connections up to May 2017

ESB Connections - 12 Month Rolling Total



Source: DHPCLG/ESB

16,340 dwellings were connected by the ESB to the Grid during the twelve months to end May 2017. This figure is a useful proxy for the level of additional housing supply becoming available for occupation.

Of these, **7,047** are in the Greater Dublin Area (**4,633** in Dublin) and **9,293** are in the rest of the country.

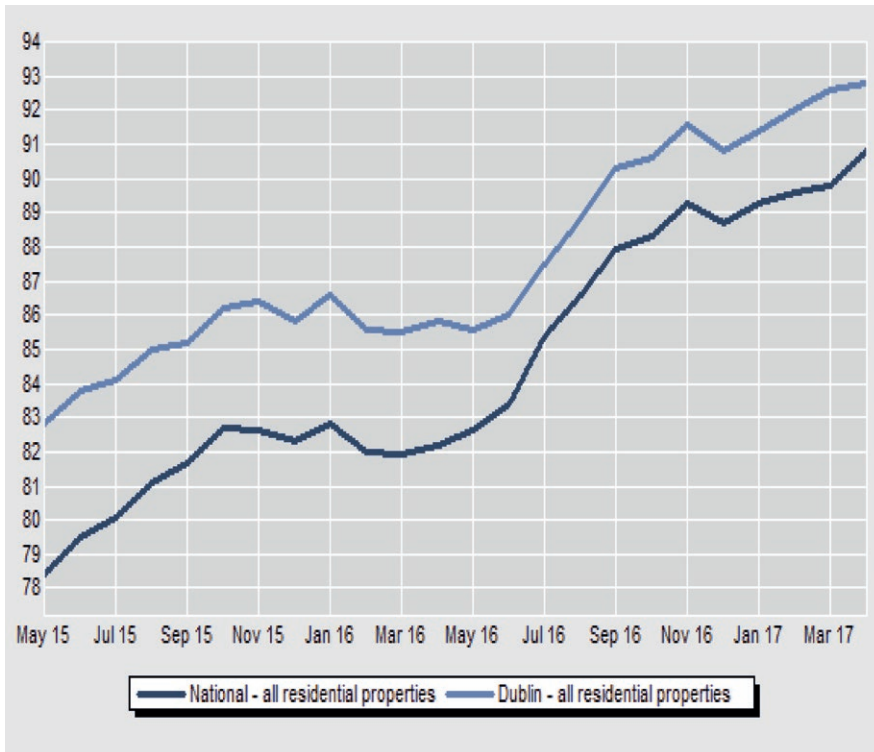
Overall, the year on year rate of increase in ESB connections is currently running at **19%** nationally and at **33%** in the Greater Dublin Area.

41% of units connected nationally during the last twelve months were one-off houses.



Residential Property Prices up to April 2017

Residential Property Price Index by Type of Residential Property and Month (Base Jan 2005 = 100)



Source: CSO

Nationally, average residential property purchase prices increased by **10.5%** during the twelve months to end April 2017.

House prices are up by **10.5%** while apartment prices have increased by **9.8%**.

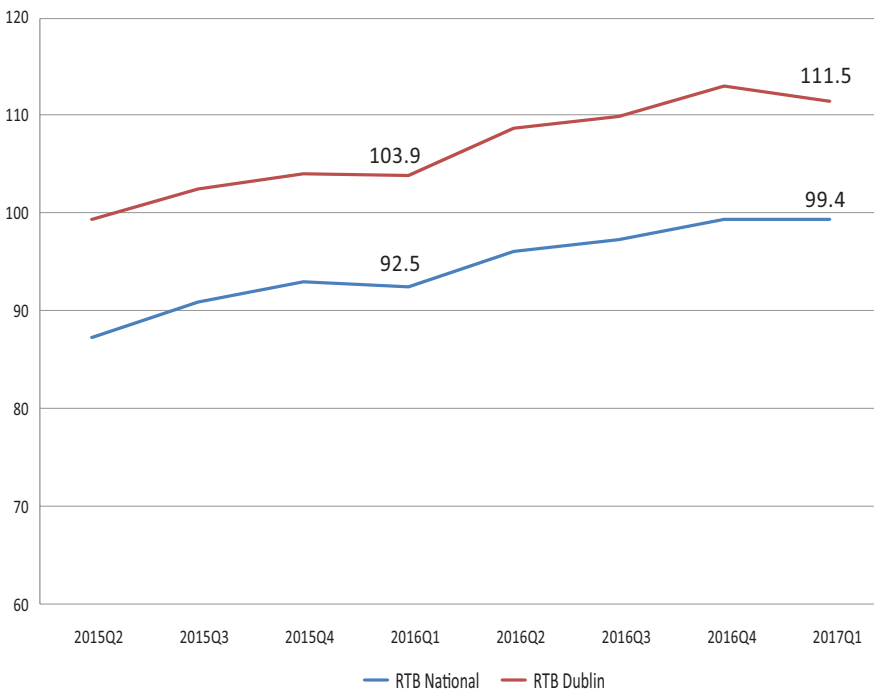
In Dublin, purchase prices increased by 8.2% while prices outside Dublin increased by 13.4%.

This index is based on stamp duty returns made to Revenue.



Rental Market Price Trends up to March 2017

RTB Rent Price Index (Q3 2007=100)



Source: RTB

This data is gathered quarterly. Retrospective registrations may result in revisions to the data.

As the chart shows, quarter on quarter growth in rents was relatively flat at 0.1% nationally, with significant reductions registered in Dublin.

During the twelve month period to end March 2017, rental prices increased by an average of

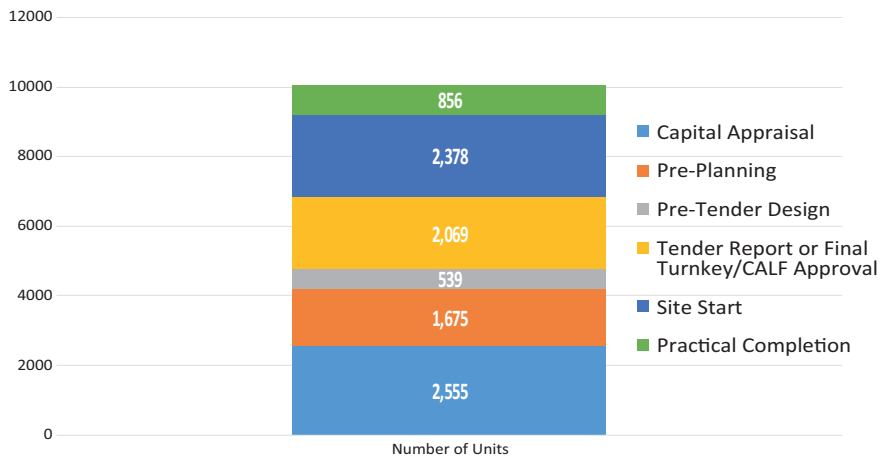
- **7.5% nationally**, bringing standardised rents to **€982 per calendar month (pcm)**;
- **7.3% in Dublin**, bringing standardised rents to **€1,415 pcm**;
- **7.6% outside Dublin**, bringing standardised rents to **€760 pcm**.

Nationally, the costs of house rental have increased by **6.4%** to **€949pcm** while the costs of apartment rental have increased by **9.4%** to **€1,047pcm**.



Social Housing Update

Social Housing Construction up to March 2017



Source: DHPCLG

The Social Housing Construction Projects Status Report is updated quarterly by the DHPCLG.

The chart shows the current construction pipeline (Quarter 1 2017) including local authority and approved housing body developments funded by the DHPCLG, which will see over **10,072** houses built in **607** housing schemes across the country over the coming years.

Of these, **130** developments delivering **2,378** new-build social houses were on site at the end of Quarter 1 of 2017.

In terms of immediate delivery, the aim is to build 2,400 new social houses in 2017. This compares with just over 650 new social houses in 2016.

Research Notes

- The Central Bank has published a number of papers this year of relevance to the capacity of homeowners to service debt. The papers, available at the links below, look in particular at the evolving debt profile of households during the period 2005-2014 and at the issue of the impact on capacity to service debt arising from interest rate changes.
<https://www.centralbank.ie/docs/default-source/publications/research-technical-papers/05r17---the-great-irish-deleveraging.pdf?sfvrsn=4>
<https://www.centralbank.ie/docs/default-source/publications/research-technical-papers/04r17-how-does-monetary-policy-pass-through-affect-mortgage-default.pdf?sfvrsn=6>
- The ESRI Summer Quarterly Economic Commentary was published on 22 June 2017. In respect of house completions, the Institute forecasts increases to 18,500 and 23,500 in the years 2017 and 2018 respectively. The paper also includes a brief focus on the relationship between planning and completion statistics.
- The latest edition of the Ulster Bank Purchasing Managers' Index, published by IHS Markit Ltd. on 12 June 2017, points to a strong increase in house building activity with the house builders' element of the index for May 2017 reaching its highest point for over a year and registering the second fastest rate of expansion in residential construction during the survey's 17 year history.

Housing Activity News Digest

Status Report on Social Housing Programme

The full Social Housing Construction Projects Status Report (Q1 2017) - see page 4 - is available on the *Rebuilding Ireland* website at the following weblink – <http://rebuildingireland.ie/news/social-housing-construction-projects-report-2017/>. The report is updated quarterly.

Fast tracking large-scale housing developments

The commencement order and regulations have now been made to give effect from 3 July 2017 to the provisions for the fast tracking of large-scale housing development proposals included under the Planning and Development (Housing) and Residential Tenancies Act 2016.

An Bord Pleanála's new Strategic Housing Division will directly accept planning applications for large-scale housing developments (100+ units) and student accommodation developments (200+ units) from 3 July 2017. The new arrangements will apply until December 2019, with the possibility of a further extension up to December 2021.

The aim is to facilitate increased housing supply through greater streamlining efficiencies in the planning system.

Part 8 Process Enhancements

In tandem with the new arrangements for private housing developments, the Part 8 process for local authority own development proposals (including social housing, infrastructure servicing both public and private developments, etc.) has also been reformed.

A maximum timeframe will now mean that Part 8 proposals must be decided by elected members within 20 weeks of being first issued for public consultation. The maximum timeframe will significantly reduce delays in the progression of Part 8 projects, including social housing developments.