



Press Release

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65% believe it is “harder than ever” to secure your first home

Survey supports recent research signalling contraction of home ownership in Ireland

65% of people believe it's harder than ever to buy your first home in Ireland. This is the primary finding of a survey (see appendix) from leading protection specialist, Royal London, which sought to find out Irish people's views around the challenges currently faced by First Time Buyers (FTBs).

The nationwide survey of 1,000 people, commissioned by Royal London and conducted by iReach, confirms that there is a strong public perception that FTBs in Ireland are facing obstacles around home-ownership which are considered more challenging than ever before. The findings are supported by new research which shows that home ownership in Ireland has fallen markedly in recent decades, with the numbers of people in private rented accommodation rising simultaneously – particularly when it comes to Ireland's younger population.¹

Commenting on the findings of this new research Royal London Head of Sales, Daragh Feely, said, *“Homeownership has fallen in Ireland from 72% of all housing units in 1991 to 67.5% in 2016. However the decline has been particularly prominent for those in the 25-34 year old age bracket whose homeownership levels dropped from 68% in 1991, to just 30% in 2016.¹ It seems that the views of our respondents are broadly in line with this research data, given that most (65%) say the market is tougher than ever.”*

Royal London says that with the Help-to-Buy incentive scheme due to end later this year, and the supply of properties still not keeping pace with demand, the future looks set to remain testing for anyone trying to take their first step on the property ladder.

Daragh expanded by saying,

“Our survey shows that 69% of 18 – 34-year-olds believe that it's more difficult than ever to make your first property purchase. This is understandable, given that this is the age-group most likely to be affected. However, what's interesting, and perhaps more telling, is that this is only marginally more than the number of people aged 55 and over, at 65%, who also believe that it is more difficult than ever to be a First Time Buyer in Ireland. Is this because they are comparing their own experience with how difficult it is for their children to buy a home now? Perhaps, if they are facilitating their adult children living with them for longer than they would have expected the knock on effect on them is making the homeownership struggle more apparent to them.”

The Royal London survey also found that:

- Very few people, 4% on average, would say that “it’s not that hard to buy a home – you just need to put your head down and get on with it”. 0% of 18-34 year olds, who are likely to make up the majority of FTBs in the country, are of this view, while just 6% of 35-54 year olds agreed with this statement;
- People in Dublin were least likely to agree with the statement that “it’s more difficult than ever to buy a home now” (59%), compared with Munster (69%), and Connaught/Ulster (69%);
- Dublin respondents were also more likely to agree that, “it’s difficult to buy home – but that’s always been the case” (38%), compared with Munster (28%) and Connaught/Ulster (25%).

In relation to the last two points Daragh commented, *“It would be fair to say this would indicate that buying property in the capital has always been considered more difficult but the rest of the country is catching up as house prices narrow between Dublin and other areas.”*

The latest Daft.ie House Price Report² reflects continued growth in house prices across the country and continued weak supply up against strong demand. Royal London says that, combined with no sign of any loosening of the mortgage lending rules, home ownership for FTB will continue to remain elusive for many.

Daragh concluded,

“While there are varying degrees of hardship involved in purchasing your first home, depending on your circumstances, it must be remembered that in February of this year alone 1,693 mortgages were approved for First Time Buyers in this country³, an increase on this time last year – so there is hope for the thousands of would-be homeowners looking to purchase over the next few months and years.

“If you are a First Time Buyer who has questions about your personal financial circumstances I’d encourage you to speak to a Financial Broker who will be able to advise and make recommendations to you based on your needs and particular circumstances.”

ENDS

Note to the editor

About Royal London:

Royal London in Ireland has a history of protecting our policyholders and their families for over 190 years, and we’re committed to continue to do so for a long time to come! Today we are owned by The Royal London Mutual Insurance Society Limited – the largest financial life, pensions and investments mutual in the UK, with over 3,893 people, providing around 8.8 million policies and more than €126.5 billion in Group funds under management. (Figures as at 31/12/2018).

Royal London’s Irish office is based at 47-49 St Stephen’s Green, Dublin 2.

Appendix

Q: Which of the following most matches your views on the current property market?

	Total	Male	Female	18 - 34	35 - 54	55+	Dublin	Rest of Leinster	Munster	Connaught / Ulster
It's more difficult than ever to buy a first home now	65%	67%	63%	69%	63%	65%	59%	65%	69%	69%
It's difficult to buy a home – but that's always been the case	31%	29%	33%	31%	31%	31%	38%	31%	28%	25%
It's not that hard to buy a home – you just need to put your head down and get on with it	4%	4%	4%	0%	6%	4%	3%	4%	3%	6%

Sources

¹ Housing in Ireland: changing trends in headship rates and tenure by age group, 2019 - <http://publicpolicy.ie/papers/housing-in-ireland-changing-trends-in-headship-rates-and-tenure-by-age-group/>

² Daft.ie House Price Report, 2019 Q1 - <https://www.daft.ie/report/ronan-lyons-2019q1-dafthouseprice>

³ Banking and Payments Federation Ireland, Mortgage Approvals, February 2019 - <https://www.bpfi.ie/wp-content/uploads/2019/03/BPFI-Mortgage-Approvals-Report-Feb-19.pdf>

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