



Press Release

Public sympathy wanes for people trying to buy their first home

53% favour building more homes over grants or tax cuts

Less than half of the public (47%) believe that it's more difficult than ever to buy your first home in Ireland, according to research by leading protection specialist Royal London. This is a decrease of 18% compared to 2019 when nearly two thirds (65%) of people expressed this view. 44% of people are of the opinion that 'it's always been difficult to buy a first home' compared to 31% who felt this way two years ago. Meanwhile, the amount of people taking a tougher stance believing that 'it's not that hard to buy a first home, you just need to put your head down and get on with it', although in the low minority, has more than doubled - 9% in 2021 up from 4% in 2019 (see Appendix 1).

The nationwide survey, commissioned by Royal London and carried out by iReach earlier this year, asked more than 1,000 adults throughout the country for their views on the current property market for First Time Buyers (FTBs). It also asked their opinion on what the most impactful measure would be, if any, that the Government could explore to deal with rising house prices. More than half of all respondents (53%) believe that rising prices would slow if the supply issue was solved by building more houses. 20% of those surveyed favoured giving bigger grants to those trying to buy, while 16% would prefer that taxes and charges on new builds were cut. 11% of people expressed a view that the State should not interfere in the housing market (see Appendix 2).

Karen Gallagher, Interim Head of Proposition at Royal London, commented on the survey findings by saying,

"Since Ireland emerged from the recession, the supply of properties is still not keeping pace with demand and more recently the prolonged shutdown of construction work due to the ongoing Covid-19 pandemic has exasperated the situation. As it stands, the total number of properties available to buy in March this year was 12,000, the lowest in fifteen years. With the current requirement to save a considerable deposit and property prices being a multiple of the average income, buying a first home can take years of sacrifice for many people. All this means that the future looks increasingly challenging for anyone taking their first step on the property ladder, so it's interesting to see from our survey results that while people are sympathetic, they're not as understanding as they were two years ago."*

"When it comes to the public's opinion, 53% of people believe building more houses would be the most impactful way to slow down property price growth, with just 36% feeling that

taxes on new builds, or bigger grants for buyers, would help. This reveals a clear appetite among the public for greater supply in order to tackle the housing situation in Ireland, something which will hopefully take on greater significance in the coming months as public health restrictions ease and the construction sector can resume work with greater efficacy.”

The Royal London survey findings revealed some differing views between the genders and age groupings:

- Women are more likely to believe that it's more difficult than ever to buy a first home (52% of women as opposed to 42% of men).
- People aged 55+ (14%) were more likely to say that “it's not that hard to buy a home – you just need to put your head down and get on with it” while 10% of 25-34 year olds, who are likely to make up a considerable portion of FTBs in the country, are of this view. Meanwhile, 0% of 18-24-year olds agreed with this statement.
- More men than women would prefer to see rising prices solved by building more homes (60% of men vs 49% of women).
- Women are more in favour of cuts in taxes and charges on new builds or giving bigger grants to those trying to buy (41% of women as opposed to 27% of men).
- Those aged 35-44 were more likely to say the Government should not interfere in the housing market (31%) compared to 0% of people aged 18-24 and 24-34.

Karen continued by commenting,

*“Getting a foot on the property ladder is one of the biggest financial and life goals for many people, and it's encouraging to see that less people now think that it's ‘more difficult than ever before’. It's a surprising result given that listed house prices in Ireland have in fact increased by an average of €20,000** in the past year.”*

In March February this year 4,324 3,651 mortgages were approved, with FTBs accounting for over half all approvals, this was up nearly 164% on the same month last year before any Covid-19 restrictions came into effect. ***

In conclusion Karen said,

“This pick up in mortgage approvals against the backdrop of the pandemic was not expected, so there are thousands of would-be homeowners who will be 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 you should speak to a Financial Broker who will be able to advise and make recommendations to you based on your needs and particular circumstances.”

ENDS

Sources

*The Daft.ie House Price Report, 2021 Q1 - <https://ww1.daft.ie/blog/wp-content/uploads/2015/02/House-Price-Report-Q1-2021-D2.pdf>

**The Irish Times, March 2021 - <https://www.irishtimes.com/business/economy/house-prices-jump-by-20-000-amid-covid-supply-shock-1.4524301>

***Banking and Payments Federation Ireland, Mortgage Approvals, March 2021 <https://bpfi.ie/publications/bpfi-mortgage-approvals-march-2021/>

Notes to editor

About Royal London:

Royal London has a history of protecting our policyholders and their families for over 190 years in Ireland, 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 4,400 people, providing around 8.8 million policies and more than €165 billion in Group funds under management. (Figures as at December 2020).

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

Appendix

Appendix 1

(Royal London Research Study 2019)

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%

(Royal London Research Study 2021)

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

	What gender are you?			Age Breakdowns					Where in Ireland do you live?					Socio-Economic Status	
	All Adults	Male	Female	18-24	25-34	35-44	45-54	55+	Dublin	Rest of Leinster	Munster	Connacht	Ulster (ROI)	ABC1	C2DE
It's more difficult than ever to buy a first home now	47%	42%	52%	64%	52%	48%	46%	39%	48%	46%	50%	42%	43%	42%	52%
It's difficult to buy a home – but that's always been the case	44%	47%	40%	36%	38%	43%	48%	48%	46%	45%	38%	41%	55%	48%	40%
It's not that hard to buy a home – you just need to put your head down and get on with it	9%	11%	8%	0%	10%	9%	6%	14%	7%	9%	12%	17%	3%	10%	9%

Appendix 2

(Royal London Research Study 2021)

Q. What do you think is the most impactful measure the Government could take to slow rising house prices?

	What gender are you?			Age Breakdowns					Where in Ireland do you live?					Socio-Economic Status	
	All Adults	Male	Female	18-24	25-34	35-44	45-54	55+	Dublin	Rest of Leinster	Munster	Connacht	Ulster (ROI)	ABC1	C2DE
Solves the supply issue by building houses	53 %	60 %	49 %	50 %	57 %	28 %	64 %	61 %	38 %	72 %	49 %	60 %	50 %	38 %	64 %
Cuts taxes and charges on new builds	16 %	12 %	18 %	0 %	21 %	31 %	13 %	15 %	19 %	4 %	17 %	40 %	0 %	18 %	15 %
Gives bigger grants to those trying to buy	20 %	15 %	23 %	50 %	21 %	11 %	15 %	16 %	30 %	15 %	23 %	0 %	0 %	21 %	19 %
The Government should not interfere in the housing market	11 %	12 %	10 %	0 %	0 %	31 %	9 %	8 %	13 %	9 %	11 %	0 %	50 %	22 %	2 %

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