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## **AIB Treasury Economic Research Unit**

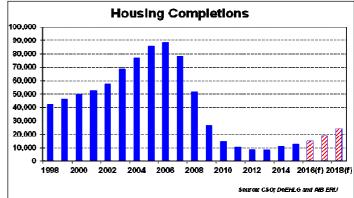
## Supply picking up, but still below required level

## Housing supply edging higher, but still not near required level...

Various indicators on the level of residential building activity suggest that supply is edging higher, from a very low base. Data

show that in the eight months to August, completions were up 19% compared to the same period in 2015. Based on their current run rate, completions are in line to rise to around 15,000 units this year compared to the 12,700 total for 2015.

Forward looking indicators such as house guarantee registrations (which tend to reflect developer activity) and commencement notices indicate that the uptrend in building activity is continuing. Meanwhile, survey data, such as housing component of the construction PMI, remain well up in expansionary territory. Overall though, in terms of supply levels, the 15,000 new residential units projected for this year are still significantly below the estimated 25,000-



30,000 units that are required to be built each year to meet housing demand.

The shortfall in supply is also reflected in the quantity of properties listed for sale and rent. Daft.ie data on houses available for sales show that there were 25,260 properties listed, a fall of 15% compared to June 2015. Meantime, rental stock was down 22% on a year-on-year basis in August.

The amount of new mortgage lending and number of sales transactions are being heavily impacted by the low level of residential supply. In addition, the Central Bank regulations have also had a dampening impact on mortgage activity, which was especially evident in the second half of last year and early part of this year. More recent data for the second quarter suggest that the drag arising from the introduction of strict mortgage rules may be waning. However, the lack of supply is likely to remain a key impediment to both transaction levels and mortgage volumes.

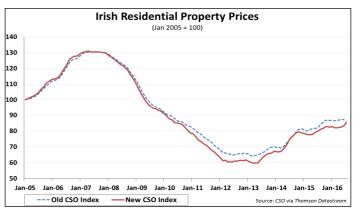
## ...thereby keeping upward pressure on prices and rents

The persistent mismatch between supply and demand has meant that both prices and rents have remained on an upward trajectory. The CSO recently launched a new Residential Property Price Index (RPPI). The new index gives a much more comprehensive view of market activity as its now includes both mortgage and cash purchases—the latter were not included in

the old index and represent around 50% of all purchases. The new data set also provides more details on regional house price trends.

At a broad level, the peak to trough decline in the new RPPI was 54% versus 51% in the old index. In terms of the performance since the trough, the new RPPI is up 43% as of July compared to 37% in the original index. Dublin City has lead the recovery, with prices up over 60% from their lows. Nationally, prices are still 35% below their peak level which was reached in April 2007.

Data for recent months show a renewed strengthening of house prices, which rose by 1% in June and 2.5% in July to



leave them 6.8% higher on a year-on-year basis. Dublin prices were up 3.8% year-on-year in July, with non-Dublin prices rising 11.3%. Meanwhile, rents continue to rise strongly and were up by 8.9% year-on-year in August. They are now up over 8% above their previous peak per CSO data.

Oliver Mangan Chief Economist oliver.n.mangan@aib.ie John Fahey Senior Economist john.j.fahey@aib.ie Dara Turnbull Economist dara.c.turnbull@aib.ie

www.aibeconomicresearch.com

RESIDENTIAL CONSTRUCTION ACTIVITY         MadditIster Bark Construction PMI measure of housing activity remains at a provide given in August points to housing activity remains at a provide given in August points to housing activity remains at a provide given in August points to a function of the August points and August	LATEST DATA	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	
Marking Construction PMI           Version account of the section PMI were presented on the section of the sectio	RESIDENTIAL CONSTRUCTION ACT									
-Housing Activity         65.9         71.2         63.6         88.4         57.4         61.8         61.3         61.3         61.3         Turtine solid grown           Housing Registrations: Month         100         30.0         80.3         421         57.3         297         566         569           Com 12 Mth Total         4.222         4.257         4.744         4.801         4.973         4.898         50.10         4.895         4.975         4.977         4.973         4.989         50.10         4.975         4.977         4.977         4.973         4.989         50.10         4.975         4.975         4.973         4.989         50.10         4.975										
31 Morth Aug Yoy Ye, Marking Market Process         47.7         1.57         60.1         63.0         62.2         11.6         23.6         47.7         year, Month May Yoy Ye, Market Activity         been on a general uptered fits           Commencements: Month         62.27         7.5         64.7         7.84         4.898         5.106         4.675         year, Month May Yoy Ye, Market Activity         year, Month May Yoy Ye, Market Activity         year, Month May Yoy Ye, Market Activity         2001         1.102         1.028         1.028         1.028         1.019         1.028         1.019         1.015         1.110         1.416         The market Process Activity         Year, Month Yo Year, Market Activity           Completions: Month         20.01         1.129         1.032         1.149         1.294         1.055         1.110         1.416         The market Process Activity         Year, Month Yo Year, Activity		65.9	71.2	63.6	58.4	57.4	61.8	61.3	63.1	
31 Morth Aug Yor Ys, Martham 1, 127         -157         60.1         63.0         68.2         11.6         2.25         -1.7         been an a general uptered fits, Vorthough Hey renain at low lovab overall           - Com 12 Min Total         4,242         4,257         4,764         4,881         4,973         4,886         5,105         4,677         Yes, Month Hey renain at low lovab overall           - Cum 12 Min Total         8425         8859         8816         8770         9205         9553         9544         9906         month solid Improvements is a hown solid Improvement in recent or law is a hown solid Improvement in recent in recent and tow lovab overall           - Cum 12 Min Total         10.29         1,112         1,032         1,148         12,847         13,868         13,877         14,81         15.8         14.15         16.8           - Cum 12 Min Total         12,847         1,77         14.1         14.1         14.6         15.8         14.0         10.0										Housing registrations have
- Oum 12 kth Total         4,242         4,257         4,764         4,891         4,973         4,898         5,105         4,675         year, though they remain allow lowels overall to well solverall to well solverally to well solverally to well solverall to well solverally to well solverall to well solverall to well solverally to w										
Commencements: Month         627         775         647         784         1,206         1,059         1,017         1,022           Cun 12 Min Total         9825         8859         8816         9750         9206         9553         9544         900         9011         1,022         0.017         1,025         1,10         1,105         1,110         1,415         1,011         1,415         1,411	0									year, though they remain at low
- Cum 12 Min Total         P425         8859         8816         9700         9206         9533         9544         9934         75.3         65.6         47.8         44.6           Completions: Month         12.241         10.32         1,149         1,234         10.863         13.673         14.53         14.53         14.53         14.53         14.5<		,		,	,	,	,	,	,	levels overall
- Com 12 Min Total YoY %       18.4       194.4       192.1       93.4       75.3       65.6       47.8       44.6       months_Up 44.6% YoY on a constructive basis         Com 12 Min Total       1.980       1.92       1.032       1.149       1.2683       1.100       1.41.9       1.2683       1.101       1.41.9       1.575       1.41.9       1.575       1.41.9       1.575       1.41.9       1.575       1.575       1.41.9       1.575       1.575       1.41.9       1.575       1.575       1.41.9       1.575       1.575       1.575       1.575       1.575       1.575       1.575       1.575       1.575       1.575       1.577       1.41.9       1.41       1.767       1.575       1.45       NNA       500 min Avg NV TD       2.018       1.45       NNA       500 min Avg NV Y       500 min Avg NV Y </td <td></td> <td></td> <td></td> <td></td> <td></td> <td>,</td> <td>,</td> <td></td> <td>,</td> <td></td>						,	,		,	
Compositions: Month         Dist         Line         Line <thline< th="">         Line         <thlin< th=""> <thline< th="">         Line</thline<></thlin<></thline<>										
- Cum 12 Mih Total         12,883         13,246         13,181         13,884         13,677         14,138         Housing completions on course for improved performance in		10.4	104.0	102.1	55.4	75.5	05.0	47.0	44.0	•
- Cum 12 Mth Total YoY %         16.9         17.7         14.1         14.1         17.6         15.9         14.5         16.8         Ifor improved performance in 2016, up 19% YTD           MOUSING / MORTGAGE MARKET ACTIVITY         PRPR Transactions : Month         2.616         3.663         3.779         3.646         3.799         3.962         4.023         wNA           - 12 Mth Total         47,813         47,835         47,570         47,655         47,688         47,407         46,820         wNA           - 12 Mth Total         47,813         47,835         47,570         47,655         47,688         47,407         46,820         wNA           - 3 Month Ay 70 Yo Yo         -20.3         -1.8         -1.70         -4,6         59         19.9         14.5         #WA           - 3 Month Ay 70 Yo	Completions: Month	920	1,192	1,032	1,149	1,294	1,055		1,415	
Construct         Data         Trist         First         Trist         Trist <thtris< th="">         Trist         Trist         <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<></thtris<>										
PPPR Transactions : Month         2,616         3,653         3,379         3,646         3,799         3,962         4,023         #NA         Babon & matced improvement in recent months—may suggest some lessening impact of CB montgage leading rules           BPFI Mortgage Approvals : Month - 3 Month Ag Yo' % - 3 Month Ag Yo' % - 12 Mth Trait         1,699         1,767         2,631         2,642         2,908         #NA         #NA           Residential Mortgages (Central Bank of leading - Amount Dutstanding (Ad,) Yo' % - 22.5         -2.4         -2.4         -2.3         -2.3         2.0         -1.9         #NA           HOUSING MARKET PRICES         CSO (Cash & Mortgage) - MoM % - Dubin Yo' % - EX bubin Yo' % - EX bubin Yo' % - EX bubin Yo' % - EX bubin Yo' % - 8.2         -0.6         0.8         1.4         #NA         #NA           RPPR Transaction Prices (Simple Average) - 6 Month Average C         232,5222         232,002         235,565         232,438         236,381         239,167         235,647	- Cum 12 Mth Total YoY %	16.9	17.7	14.1	14.1	17.6	15.9	14.5	16.8	
PPPR Transactions : Month         2,616         3,653         3,379         3,646         3,799         3,962         4,023         #NA         Binom a marked improvement in recent months—may suggest some lessening improvement is months—may suggest some lessening invest down and they remain negative on a VoY basis           12 Mth Trait         25,402         25,44         26,36         1.0         2.1         1.0         2.1         1.0         2.1         1.0         2.1         1.0         2.5         1.0         2.5         1.0         1.0         1.0         1.0         1.0         1.0         1.0         1.0         2.1         1.0         2.1 <td< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>										
Herrs fails activities         Control         Solved         Solved         Auge         Revent										
- 3 Mint Tadil       -14.3       -14.3       -24.4       -14.4       -24.4       -14.4       -24.4       -24.7       -24.7       -47.68       47.680			,			,				in recent months-may suggest
BPFI Mortgage Approvals : Month         1.627         1.639         1.767         2.631         2.642         2.903         2.903         #NA         #NA         #NA           2.3 Month Aug YoY %         25.340         25.446         24.995         25.546         25.941         26.338         #NA         #NA         Ma         Ma         YoY basis           Residential Mortgages (Central Bank of Ireland)         -         -         2.4         -2.4         -2.3         -2.0         -1.9         #NA         Pace of decline in outstanding           - YOY %         -2.6         5.4         5.5         5.8         5.4         4.9         6.7         #NA           - YOY %         -6.6         5.4         5.5         5.8         5.4         4.9         6.7         #NA           - YOY %         -6.6         5.4         5.5         5.8         5.4         4.9         6.7         #NA         YeX         Social transition file (1.13%) continues to outpace Dublin YOY %         8.7         9.2         9.2         8.8         8.4         8.9         11.3         #NA         HNA         YeX           -26 Month Average (235.222         232.008         235.55         5.3         5.5         5.9         9.9	0									some lessening impact of CB
- 3 Month Åug YGY %       -20.3       -18.9       -17.0       -4.6       5.9       19.9       14.5       #NVA       and they remain negative on a YoY basis         - 12 Mith Total       25,840       25,440       24,985       25,546       25,841       26,388       26,638       #NVA       Pace of decline in outstanding (Adj) YoY %       2.5       2.4       -2.3       -2.3       -2.0       -1.9       #NVA       Pace of decline in outstanding mortgages continues to slow in July         HOUSING MARKET PRICES       CSO (Cash & Mortgage) - MoM %       5.6       5.4       5.5       5.8       5.4       4.9       6.7       #WA         - Ex Dublin YOY %       8.6       5.4       5.5       5.8       5.4       4.9       6.7       #WA         - Ex Dublin YOY %       8.7       9.2       2.8       8.4       8.9       11.3       #NA         PER Transaction Price (Simple Average)       - 6.7       9.2       3.0       0.6       0.8       1.4       #WA       #WA         RENTS CSO Private Rents - MoM%       1.9       0.7       2.3       0.6       0.8       1.4       #WA       #WA         RENTS CSO Private Rents - MoM%       1.2       1.1       0.2       1.0       0.5       0.5		-1,010	-1,000	-1,010	-1,000	-1,080	-,-+01	-0,020	<i>π</i> ι¥/Λ	mortgage lending rules
- 12 Mth Toria       25,840       25,446       24,985       25,546       25,841       26,388       26,638       #NVA       YoY basis         Residential Mortgages (Central Bank of Ireland)       - Amount Outstanding (Ad) YoY %       -2.5       -2.4       -2.3       -2.3       -2.0       -1.9       #NVA       Pace of decline in outstanding mortgages continues to slow in July         HOUSING MARKET PRICES       CSO (Cash & Mortgage) - MoM %       0.6       -1.0       -0.1       0.4       0.5       1.0       2.5       #NVA         - VOY %       5.6       5.4       5.5       5.8       5.4       4.9       6.7       #NVA         - Dublin YOY %       4.6       3.6       3.5       4.0       3.4       2.5       #NVA       Shows that Inflation is beginning to pick up again—pace of pick up again       New CSO house price index shows that inflation is beginning to pick up again—pace of pick up again	BPFI Mortgage Approvals : Month	1,627	1,699	1,767	2,631	2,642	2,909	2,908	#N/A	
Residential Mottgages (Central Bank of leand)         Entre         Entre         Entre         Entre         Entre         Entre         Entre         Entre         Pace of decline in outstanding           Amount Outstanding (Ad) Yor %         2.5         2.4         2.3         2.3         2.0         1.9         #NVA           HOUSING MARKET PRICES         CSO (Cash & Mottgage) - MoM %         5.6         5.4         5.5         5.8         5.4         4.9         6.7         #WA           - Stability Yor %         5.6         5.4         5.5         5.8         5.4         4.9         6.7         #WA           - Stability Yor %         6.6         7.4         5.5         5.8         5.4         4.9         6.7         #WA           - Stability Yor %         8.7         9.2         9.2         8.8         8.4         8.9         11.3         #WA           - Yor %         8.2         4.5         5.5         5.3         5.5         8.1         #WA         #WA           RENTS: CSO Private Rents - MoM%         1.2         1.1         0.2         1.0         0.5         0.5         0.9         0.7           - Yor %         9.4         9.7         9.2         9.7 <t< td=""><td>5</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>	5									
New Cash as infortigages (Cellinal Dark on Healing)       -2.5       -2.4       -2.3       -2.3       -2.0       -1.9       #NA       mortgages continues to slow in July         HOUSING MARKET PRICES       CSO (Cash & Mortgage) - MoM %       0.6       -1.0       -0.1       0.4       0.5       1.0       2.5       #NA         Port %       5.6       5.4       5.5       5.8       5.4       4.9       6.7       #NA         Port %       8.7       9.2       9.2       8.8       8.4       6.9       11.3       #NA         RPR Transaction Price (Simple Average)       -       6       6.8       1.4       #NA       #NA       #NA         -Yo' %       8.2       4.5       5.5       5.3       5.5       8.1       #NA       #NA         Baft Asking Prices: MoM%       1.9       0.7       2.3       -0.6       0.8       1.4       #NA       #NA         RENTS & AFFORDABILITY       8.2       1.1       0.2       1.0       0.5       0.5       0.9       0.7         -Yo' %       9.4       9.7       9.2       9.7       9.3       9.1       8.9       Affordability remains strop         Port %       9.4       9.7       9.2 </td <td>- 12 Mth Total</td> <td>25,840</td> <td>25,446</td> <td>24,985</td> <td>25,546</td> <td>25,841</td> <td>26,388</td> <td>26,638</td> <td>#N/A</td> <td>YOY DASIS</td>	- 12 Mth Total	25,840	25,446	24,985	25,546	25,841	26,388	26,638	#N/A	YOY DASIS
- Amount Outstanding (Adj.) YoY %       -2.5       -2.4       -2.4       -2.3       -2.3       -2.0       -1.9       #N/A         Moussing MARKET PRICES       CSO (Cash & Mongage) - MoM %       0.6       -1.0       -0.1       0.4       0.5       1.0       2.5       #N/A         Poussing MARKET PRICES       CSO (Cash & Mongage) - MoM %       0.6       5.4       5.5       5.8       5.4       4.9       6.7       #N/A         - Ex Dublin YoY %       4.6       3.6       3.5       4.0       3.4       2.5       #N/A         RPPR Transaction Price (Simple Average)       -       6       0.8       1.4       #N/A       #N/A         Pointh Average €       235.222       232.008       235.565       232.438       236.381       239.167       235.647       #N/A         Daft Asking Prices: MoM%       1.9       0.7       2.3       -0.6       0.8       1.4       #N/A       #N/A         RENTS : CSO Privale Rents - MoM%       1.2       1.1       0.2       1.0       0.5       0.5       0.9       0.7         RENTS : CSO Privale Rents - MoM%       1.2       1.1       0.2       1.0       0.5       0.5       0.9       0.7         -YOY % <td< td=""><td>Residential Mortgages (Central Bank of</td><td>Ireland)</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></td<>	Residential Mortgages (Central Bank of	Ireland)								
Nourgage) - MoM %       0.6       -1.0       0.1       0.4       0.5       1.0       2.5       #WA         - SO (Cash & Mortgage) - MoM %       0.6       5.5       5.6       1.0       2.5       #WA         - OV %       5.6       5.4       6.5.3       5.6       #WA         - 6       0.6       3.1       New CSO house price index.         So (Cash & Mortgage) - MoM %       0.6       3.3       4.0       3.4       4.9       11.3       #WA         - EX DUBIN YO' %       8.7       #WA         - 6       Morth Average C       235,222       232,438       236,881       239,167       236,647       #WA         Dath Asking Prices: MoM%       1.9       0.7       2.0       9       0.7       Wortgage Areter Both Mortgage Areter Brite Mortgage Rate, Prices: CSO/Perm' TSB       CSO/Private Rents - Mo			-2.4	-2.4	-2.3	-2.3	-2.0	-1.9	#N/A	00
CSO (Cash & Mortgage) - MoM %         0.6         -1.0         -0.1         0.4         0.5         1.0         2.5         #NA         New CSO house price index shows that inflation is beginning to pick up again—pace of growth in ex-Dublin YOY %         New CSO house price index shows that inflation is beginning to pick up again—pace of growth in ex-Dublin (3.8%), in part due to Central Bank regulations           RPPR Transaction Price (Simple Average) - 6 Month Average €         235,222         232,008         235,565         232,438         236,381         239,167         235,647         #IVA HVA         Average property transaction price temained around 235k in the 6 months to July           Daft Asking Prices: MoM%         1.9         0.7         2.3         0.6         0.8         1.4         #IVA #IVA         #IVA           Yo Y %         8.2         4.5         5.5         5.3         5.5         8.1         #IVA         #IVA           Yo Y %         8.2         4.5         5.5         5.3         5.5         8.1         #IVA         #IVA           Yo Y %         8.2         1.5         1.5         1.0         0.5         0.9         0.7           Yo Y %         9.4         9.7         9.2         9.7         9.3         9.1         8.9           AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV										July
CSO (Cash & Mortgage) - MoM %       0.6       -1.0       -0.1       0.4       0.5       1.0       2.5       #NVA         v Yo %       4.6       3.6       5.4       5.5       5.8       5.4       4.9       6.7       #NVA         - Dubin YoY %       4.6       3.6       3.5       4.0       3.4       2.5       3.8       #NVA         Ex Dubin YoY %       8.7       9.2       9.2       8.8       8.4       8.9       11.3       #NVA         RPPR Transaction Price (Simple Average)       -6       6.7       2.3       -0.6       0.8       1.4       #NVA       #NVA         Path Asking Prices: MoM%       1.9       0.7       2.3       -0.6       0.8       1.4       #NVA       #NVA         RENTS & AFFORDABILTY       Montgage Attraction Price (Simple Average)       9.4       9.7       9.2       9.7       9.3       9.1       8.9         AFFORDABILTY       Montgage Attraction Price (NoM%       1.2       1.1       0.2       1.0       0.5       0.5       0.9       0.7         RENTS & AFFORDABILTY       Moderate Rents - MoM%       1.2       1.1       0.2       1.0       0.5       0.5       0.9       0.7	HOUSING MARKET PRICES									New OOO have arise index
• Y0Y %       5.6       5.4       5.5       5.8       5.4       4.9       6.7       #WA         • Dublin Y0Y %       4.6       3.6       3.5       4.0       3.4       2.5       3.8       #WA         • Ex Dublin Y0Y %       8.7       9.2       9.2       8.8       8.4       8.9       11.3       #WA         • Ex Dublin Y0Y %       8.7       9.2       9.2       8.8       8.4       8.9       11.3       #WA         • Ex Dublin Y0Y %       8.7       9.2       9.2       8.8       8.4       8.9       11.3       #WA         • 6 Month Average €       235,222       232,008       235,565       232,438       236,381       239,167       235,647       #NA         • Y0Y %       8.2       4.5       5.5       5.3       5.5       8.1       #N/A       #N/A       Average property transaction price remained around 235k in the 6 months to July         RENTS: CSO Private Rents - MoM%       1.2       1.1       0.2       1.0       0.5       0.5       0.9       0.7         •Y0Y %       9.4       9.7       9.2       9.7       9.3       9.1       8.9       4.61       16.0       #N/A         Purobase Drawdowns	CSO (Cash & Mortgage) - MoM %	0.6	-1.0	-0.1	0.4	0.5	1.0	2.5	#N/A	
- Ex Dublin YoY %       8.7       9.2       9.2       8.8       8.4       8.9       11.3       #NA       Continues to outpace Dublin (3.8%) in part due to central Bank regulations         RPPR Transaction Price (Simple Average)       - 6 Month Average €       235,222       232,008       235,565       232,438       239,167       235,647       #NA       Average propenty transaction price remained around 235k in the 6 months to July         Daft Asking Prices: MoM%       1.9       0.7       2.3       -0.6       0.8       1.4       #NA       #NA         -YOY %       8.2       4.5       5.5       5.3       5.5       8.1       #NA       #NA         RENTS: CSO Private Rents - MoM%       1.2       1.1       0.2       1.0       0.5       0.5       0.9       0.7         -YOY %       9.4       9.7       9.2       9.7       9.7       9.3       9.1       8.9         AFFORDABILITY:       Couple on Avg Industrial Wage, 90% LTV, 30 Yr Mortgage, AIB Mortgage Rate, Prices: CSO/Perm TSB       Affordability remains at quite favourable levels       Affordability remains at quite favourable levels         OUARTERLY DATA       03-14       04-14       01-15       02-15       03-15       04-15       01-16       02-16         Pruchase Drawdowns       5.7		5.6	5.4	5.5	5.8	5.4	4.9	6.7	#N/A	to pick up again-pace of
RPPR Transaction Price (Simple Average)       -6 Month Average €       235,222       232,008       235,565       232,438       236,381       239,167       235,647       #N/A         Daft Asking Prices: MoM%       1.9       0.7       2.3       -0.6       0.8       1.4       #N/A       #N/A         Prices: MoM%       1.9       0.7       2.3       -0.6       0.8       1.4       #N/A       #N/A         RENTS: CSO Private Rents - MoM%       1.2       1.1       0.2       1.0       0.5       0.5       0.9       0.7         YOY %       9.4       9.7       9.2       9.7       9.3       9.1       8.9         AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Yr Mortgage, AlB Mortgage Rate, Prices: CSO/Perm' TSB       Mortgage as % of Disposible Income       15.7       15.9       16.1       16.0       #N/A         QUARTERLY DATA       Q3-14       Q4-14       Q1-15       Q2-15       Q3-15       Q4-15       Q1-16       Q2-16         Prichase Drawdowns       5,763       6,929       5,113       5,437       6,334       6,780       4,634       5,767         YOY %       42.3       45.5       63.6       29.7       9.2       -6.9       -11.2       4.2      <										
RPPR Transaction Price (Simple Average)       Bank regulations         - 6 Month Average €       235,222       232,008       235,565       232,438       236,381       239,167       235,647       #N/A         Daft Asking Prices: MoM%       1.9       0.7       2.3       -0.6       0.8       1.4       #N/A       #N/A       #N/A         - YoY %       8.2       4.5       5.5       5.3       5.5       8.1       #N/A       #N/A       #N/A         RENTS & AFFORDABILITY       RENTS: CSO Private Rents - MoM%       1.2       1.1       0.2       1.0       0.5       0.5       0.9       0.7         RENTS: CSO Private Rents - MoM%       1.2       1.1       0.2       1.0       0.5       0.5       0.9       0.7         of Mortgage as % of Disposible Income       15.7       15.4       15.5       15.7       15.9       16.1       16.0       #N/A         Purchase Drawdowns       5.763       6.929       5.113       5.437       6.334       6.780       4.634       5.767         Purchase Drawdowns       5.763       6.929       5.113       5.437       9.9       -2.2       -9.4       6.1         FTB YoY %       41.8       49.2	- Ex Dublin YoY %	8.7	9.2	9.2	8.8	8.4	8.9	11.3	#N/A	
- 6 Month Average €       235,222       232,008       235,565       232,438       236,881       239,167       235,647       #N/A       Average property transaction price remained around 235k in the 6 months to July         Daft Asking Prices: MoM%       1.9       0.7       2.3       -0.6       0.8       1.4       #N/A	RPPR Transaction Price (Simple Aver	age)								
Daft Asking Prices: MoM%         1.9         0.7         2.3         -0.6         0.8         1.4         #N/A         #N/A </td <td></td> <td></td> <td>232,008</td> <td>235,565</td> <td>232,438</td> <td>236,381</td> <td>239,167</td> <td>235,647</td> <td>#N/A</td> <td></td>			232,008	235,565	232,438	236,381	239,167	235,647	#N/A	
- YOY %       8.2       4.5       5.5       5.3       5.5       8.1       #N/A       #N/A       #N/A       the 6 months to July         RENTS & AFFORDABILITY         RENTS: CSO Private Rents - MoM%       1.2       1.1       0.2       1.0       0.5       0.5       0.9       0.7         - YOY %       9.4       9.7       9.2       9.7       9.7       9.3       9.1       8.9         AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Yr Mortgage, AIB Mortgage Rate, Prices: CSO/Perm' TSB       Mortgage as % of Disposible Income       15.7       15.9       16.1       16.0       #N/A         QUART ERLY DATA         Q3-14       Q4-14       Q1-15       Q2-15       Q3-15       Q4-15       Q1-16       Q2-16         Principal Residences         Purchase Drawdowns       5,763       6,929       5,113       5,437       6,334       6,780       4,634       5,767         Y0 %       42.3       45.5       63.6       25.4       9.9       -2.2       -9.4       6.1         FTB YoY %       41.8       49.2       67.6       29.7       9.2       -6.9       -11.2       4.2         Nortgage Arrears 90 Days +										
Northold	-									
RENTS: CSO Private Rents - MoM%1.21.10.21.00.50.50.90.70.7- YOY %9.49.79.79.29.79.39.18.9AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Yr Mortgage, AIB Mortgage Rate, Prices: CSO/Perm' TSB - Mortgage as % of Disposible Income15.715.415.515.715.916.116.0#N/AQUARTERLY DATABPFI Mortgage Drawdowns Purchase Drawdowns5.7636.9295.1135.4376.3346.7804.6345.767Pace of YOY increase in motgage drawdowns back in positive territory (6.1%) in Q2. This also points to some abating in the impact from CBFTB YOY %41.849.267.629.79.2-6.9-11.24.2Mortgage Arrears 90 Days + Principal Residences Number of Accounts in Arrears % of Outstanding84,95578,69974,39570,29665,65361,93159,69657,571 57,651The number of mortgages in arrears (both principal regulations	- 101 /0	0.2	4.5	5.5	0.0	5.5	0.1	$\pi i N/T$	$\pi n \pi$	
RENTS: CSO Private Rents - MoM%1.21.10.21.00.50.50.90.70.7- YOY %9.49.79.79.29.79.39.18.9AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Yr Mortgage, AIB Mortgage Rate, Prices: CSO/Perm' TSB - Mortgage as % of Disposible Income15.715.415.515.715.916.116.0#N/AQUARTERLY DATABPFI Mortgage Drawdowns Purchase Drawdowns5.7636.9295.1135.4376.3346.7804.6345.767Pace of YOY increase in motgage drawdowns back in positive territory (6.1%) in Q2. This also points to some abating in the impact from CBFTB YOY %41.849.267.629.79.2-6.9-11.24.2Mortgage Arrears 90 Days + Principal Residences Number of Accounts in Arrears % of Outstanding84,95578,69974,39570,29665,65361,93159,69657,571 57,651The number of mortgages in arrears (both principal regulations										YoY growth in rents has
- YoY %9.49.79.29.79.79.39.18.9In Adgas, it remains strong- rents 8.4% above prior peakAFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Yr Mortgage, AIB Mortgage Rate, Prices: CSO/Perm' TSB - Mortgage as % of Disposible IncomeAffordality remains at quite favourable levelsAffordality remains at quite favourable levelsAffordality remains at quite favourable levelsAffordality remains at quite favourable levelsQUARTERLY DATAQ3-14Q4-14Q1-15Q2-15Q3-15Q4-15Q1-16Q2-16BPFI Mortgage Drawdowns Purchase Drawdowns5,7636,9295,1135,4376,3346,7804,6345,767Fis las points to some abating in the impact from CB regulationsMortgage Arrears 90 Days + Principal ResidencesMortgage Arrears 91 Days + Principal Residences84,95578,69974,39570,29665,65361,93159,69657,571 57,571The number of mortgages in arrears (both principal regulationsMortgage Arrears 90 Days + Principal Residences84,95578,69974,39570,29665,65361,93159,69657,571 57,571The number of mortgages in arrears (both principal regulations810 arrears (both principal regulationsMortgage Arrears 90 Days + Principal Residences84,95578,69974,39570,29665,65361,93159,69657,571 57,571The number of mortgages in arrears (both principal regulationsMortgage Arrears 90 Days + Principal Residences84,95578,69		4.0		0.0	4.0	0.5	0.5	0.0	0.7	moderated slightly, but at 8.9%
AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Yr Mortgage, AIB Mortgage Rate, Prices: CSO/Perm' TSB       Affordability remains at quite favourable levels         AFFORDABILITY: Couple on Avg Industrial Wage, 90% LTV, 30 Yr Mortgage, AIB Mortgage Rate, Prices: CSO/Perm' TSB       Affordability remains at quite favourable levels         Output colspan="6">Alls Mortgage Rate, Prices: CSO/Perm' TSB       Affordability remains at quite favourable levels         QUARTERLY DATA         BPFI Mortgage Drawdowns         Purchase Drawdowns       5,763       6,929       5,113       5,437       6,334       6,780       4,634       5,767       Pace of YoY increase in mortgage drawdowns back in positive territory (6.1%) in Q2.         YoY %       42.3       45.5       63.6       25.4       9.9       -2.2       -9.4       6.1         FTB YoY %       411.8       49.2       67.6       29.7       9.2       -6.9       -11.2       4.2         Mortgage Arrears 90 Days +         Principal Residences       Number of Accounts in Arrears       84,955       78,699       74,395       70,296       65,653       61,931       59,696       57,571       The number of mortgages in arrears (both principal arrears (both principal arrears (both principal arrears (both principal arrears (b										
Amortgage as % of Disposible Income       15.7       15.4       15.5       15.7       15.9       16.1       16.0       #N/A         GUARTERLY DATA         Q3-14       Q4-14       Q1-15       Q2-15       Q3-15       Q4-15       Q1-16       Q2-16         BPFI Mortgage Drawdowns         Purchase Drawdowns       5,763       6,929       5,113       5,437       6,334       6,780       4,634       5,767         YoY %       42.3       45.5       63.6       25.4       9.9       -2.2       -9.4       6.1         FTB YoY %       41.8       49.2       67.6       29.7       9.2       -6.9       -11.2       4.2         Mortgage Arrears 90 Days +         Principal Residences         Number of Accounts in Arrears       84,955       78,699       74,395       70,296       65,653       61,931       59,696       57,571       The number of mortgages in arrears (both principal residences         Number of Accounts in Arrears       84,955       78,699       74,395       70,296       65,653       61,931       59,696       57,571       The number of mortgages in arrears (both principal residences <t< td=""><td></td><td>0.1</td><td>0.1</td><td>0.2</td><td>0.1</td><td>0.1</td><td>0.0</td><td>0.1</td><td>0.0</td><td></td></t<>		0.1	0.1	0.2	0.1	0.1	0.0	0.1	0.0	
- Moligage as % of Disposible income       15.7       15.4       15.3       15.7       15.9       16.1       16.0       #NVA         QUARTERLY DATA       Q3-14       Q4-14       Q1-15       Q2-15       Q3-15       Q4-15       Q1-16       Q2-16       Pace of YoY increase in mortgage drawdowns back in positive territory (6.1%) in Q2.         Purchase Drawdowns       5,763       6,929       5,113       5,437       6,334       6,780       4,634       5,767         YoY %       42.3       45.5       63.6       25.4       9.9       -2.2       -9.4       6.1         FTB YoY %       41.8       49.2       67.6       29.7       9.2       -6.9       -11.2       4.2         Mortgage Arrears 90 Days +       Principal Residences       Number of Accounts in Arrears       84,955       78,699       74,395       70,296       65,653       61,931       59,696       57,571       The number of mortgages in arrears (both principal rejeared by principal arrears (both prin		-								
Q3-14Q4-14Q1-15Q2-15Q3-15Q4-15Q1-16Q2-16BPFI Mortgage DrawdownsPurchase DrawdownsPurchase Drawdowns5,7636,9295,1135,4376,3346,7804,6345,767YoY %42.345.563.625.49.9-2.2-9.46.1FTB YoY %41.849.267.629.79.2-6.9-11.24.2Mortgage Arrears 90 Days +Principal ResidencesNumber of Accounts in Arrears84,95578,69974,39570,29665,65361,93159,69657,571% of Outstanding11.210.49.89.38.88.38.07.87.8	- Mortgage as % of Disposible Income	15.7	15.4	15.5	15.7	15.9	16.1	16.0	#N/A	
Q3-14Q4-14Q1-15Q2-15Q3-15Q4-15Q1-16Q2-16BPFI Mortgage Drawdowns5,7636,9295,1135,4376,3346,7804,6345,767Purchase Drawdowns5,7636,9295,1135,4376,3346,7804,6345,767YoY %42.345.563.625.49.9-2.2-9.46.1Data bating in the impact from CBFTB YoY %41.849.267.629.79.2-6.9-11.24.2The number of mortgage drawdowns at 49% of totalMortgage Arrears 90 Days +Principal ResidencesNumber of Accounts in Arrears84,95578,69974,39570,29665,65361,93159,69657,571The number of mortgages in arrears (both principal residences & 811.) reportedNumber of Accounts in Arrears84,95578,69911.210.49.89.38.88.38.07.8	QUARTERLY DATA									
BPFI Mortgage DrawdownsPurchase Drawdowns5,7636,9295,1135,4376,3346,7804,6345,767YoY %42.345.563.625.49.9-2.2-9.46.1FTB YoY %41.849.267.629.79.2-6.9-11.24.2Mortgage Arrears 90 Days +Principal ResidencesNumber of Accounts in Arrears84,95578,69974,39570,29665,65361,93159,69657,571The number of mortgages in arrears (both principal residences & BTL) resorted		Q3-14	Q4-14	Q1-15	Q2-15	Q3-15	Q4-15	Q1-16	Q2-16	
BPFI Mortgage DrawdownsPurchase Drawdowns5,7636,9295,1135,4376,3346,7804,6345,767YoY %42.345.563.625.49.9-2.2-9.46.1FTB YoY %41.849.267.629.79.2-6.9-11.24.2Mortgage Arrears 90 Days +Principal ResidencesNumber of Accounts in Arrears84,95578,69974,39570,29665,65361,93159,69657,571The number of mortgages in arrears (both principal residences & 11.210.49.89.38.88.38.07.8The number of mortgages in arrears (both principal residences & 8.11)					_	_				
YoY %       42.3       45.5       63.6       25.4       9.9       -2.2       -9.4       6.1       abating in the impact from CB regulations         FTB YoY %       41.8       49.2       67.6       29.7       9.2       -6.9       -11.2       4.2       4.2         Mortgage Arrears 90 Days +										positive territory (6.1%) in Q2.
FTB YoY %41.849.267.629.79.2-6.9-11.24.2regulationsMortgage Arrears 90 Days + Principal ResidencesStateStateStateFTB remain the dominant source of mortgage drawdowns at 49% of totalNumber of Accounts in Arrears84,95578,69974,39570,29665,65361,93159,69657,571The number of mortgages in arrears (both principal residence & BTL) resorded										
Mortgage Arrears 90 Days +       FTB remain the dominant source of mortgage drawdowns at 49% of total         Principal Residences       Number of Accounts in Arrears       84,955       78,699       74,395       70,296       65,653       61,931       59,696       57,571       The number of mortgages in arrears (both principal residences & BTL) recorded         % of Outstanding       11.2       10.4       9.8       9.3       8.8       8.3       8.0       7.8										
Mortgage Arrears 90 Days + Principal ResidencesSource of mortgage drawdowns at 49% of totalNumber of Accounts in Arrears84,95578,69974,39570,29665,65361,93159,69657,571The number of mortgages in arrears (both principal residence & BTL) resorted% of Outstanding11.210.49.89.38.88.38.07.8		-1.0	70.2	07.0	20.1	3.2	0.9	11.4	4.2	Ŭ
Mortgage Arrears 90 Days + Principal Residencesat 49% of totalNumber of Accounts in Arrears84,95578,69974,39570,29665,65361,93159,69657,571The number of mortgages in arrears (both principal residence & BTL) recorded% of Outstanding11.210.49.89.38.88.38.07.8										
Number of Accounts in Arrears         84,955         78,699         74,395         70,296         65,653         61,931         59,696         57,571         The number of mortgages in arrears (both principal arears (both principal areas										00
% of Outstanding 11.2 10.4 9.8 9.3 8.8 8.3 8.0 7.8 residence & BTI ) recorded	-									The number of months and
7. of Outstanding 11.2 10.4 3.0 3.3 0.0 0.3 0.0 7.0 residence & BTL ) recorded										
Buy-to-Let	Buy-to-Let	11.2	10.4	3.0	9.3	0.0	0.3	0.0	7.0	residence & BTL) recorded

Sources: Central Bank of Ireland, CSO, Daft.ie, DoEHLG, HomeBond, BPFI, RSRA, Ulster Bank, AIB ERU Calculations

27,492

19.7

26,071

19.0

29,224

20.7

31,619

22.1



% of Outstanding

Number of Accounts in Arrears

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24,809

18.1

23,344

17.0

22,516

16.5

21,962

16.3

further declines in Q2, but the

levels remain high overall