

The RTB Rent Index



2016

Quarter 3



Data for the third quarter of 2016 indicates that private sector rents continued to trend upwards.

Nationally, monthly rents grew by 2.3 per cent, marginally slower than Q2 when they increased by 3.5 per cent. Overall, the data shows that rents for houses are increasing at a slightly faster rate than rents for apartments at 2.6 per cent compared to 1.8 per cent. At a more granular level, some interesting trends emerge from the data. In Dublin, the pace of growth has slowed somewhat compared to the previous quarter, with rents increasing by 0.6 per cent. The slowdown appears to be driven by a marginal fall in Dublin house rents of 0.6 per cent while rents for Dublin apartments increased by 1.5 per cent over the same period. This is the first decline in quarterly Dublin house rents since Q1 2013, which could indicate a moderation in the demand for housing among renters. Interestingly, the pace of growth outside Dublin has picked up in Q3, with overall rents increasing by 3.6 per cent. This consisted of a 3.6 per cent increase in house rents while the comparable increase in apartments was broadly similar at 3.4 per cent. This was the fastest rate of growth among all the geographical categories in Table 1.

The longer-term trends indicate that annual growth has continued in all geographic categories. The pace of growth has however, begun to slow as can be seen in Figure 4. Following the financial downturn of 2007/08, annual growth in rents nationally registered their largest decline in Q4 2009 at -14.9 per cent. They have since grown at a significant pace and have increased by approximately 23 percentage points from this low point to the present quarter. They are still however, 4 per cent below peak levels observed in Q4 2007.

From the figures, it is clear that post 2009; the rate of growth in Dublin outpaced the rest of the country as demand in the capital was particularly strong. Recently the growth rate in Dublin has moderated somewhat with rents outside of Dublin now accelerating at a faster pace.

Although, rents in Dublin are 5 per cent above their previous peak in Q4 2007. Up until Q3 2015, the pace of growth in rents outside Dublin was slower than in the capital. Since then the speed of growth in annual rents outside Dublin has overtaken that of Dublin and continues to rise at a faster pace. However, rents outside of Dublin are 7.3 per cent below peak levels in Q3 2007. This now means that the difference between rents outside Dublin and rents in Dublin has fallen from a gap of 15.5 per cent at the peak of the difference in Q3 2015 to 7.3 per cent this quarter. The faster growth in rents outside of Dublin reflects similar trends in house prices, where regional prices have exhibited stronger growth than those in the capital since Q2 2015.

At a national level, annual growth was 8.6 per cent in Q3 and has averaged 9.2 per cent so far this year. This is particularly strong when compared to this time last year where average growth was 6.6 per cent for the same period. Houses and apartments in Dublin have been growing at a similar pace over the last year; however this trend has changed marginally this quarter with a slowdown in annual rent growth for Dublin houses to 3.3 per cent compared to 6.8 per cent growth last quarter.

The number of tenancies registered with the RTB in Q3 2016 was 30,260.

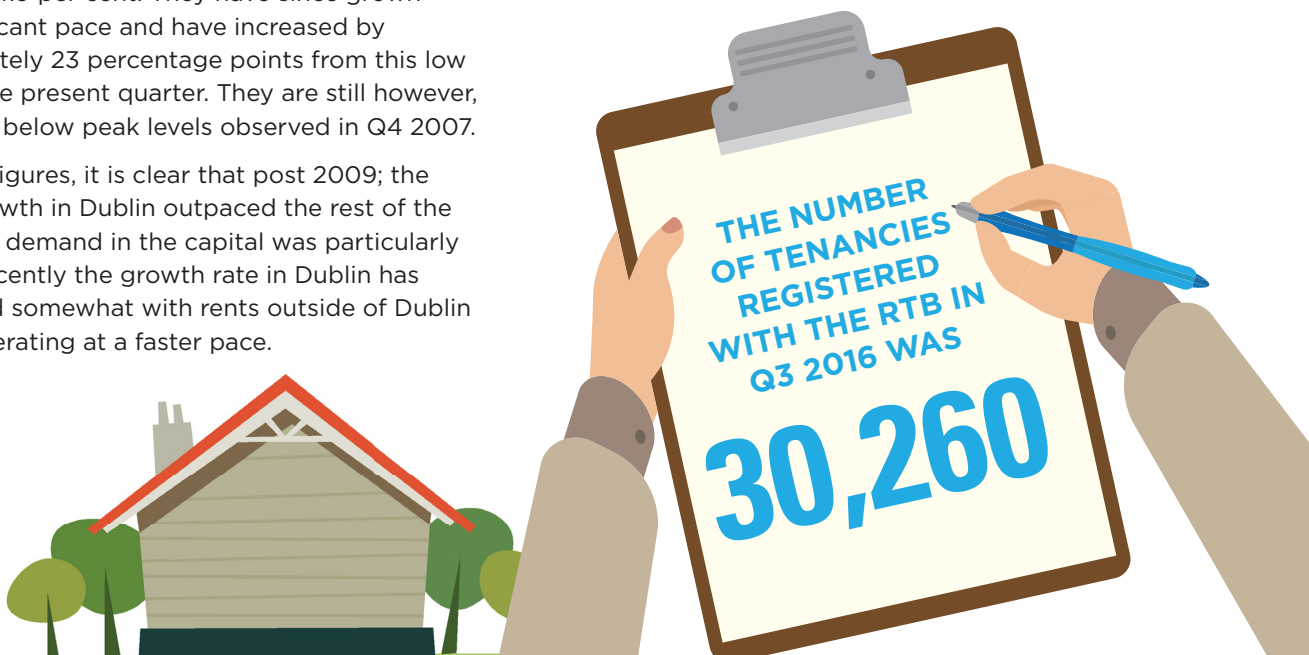




Figure 1 The RTB Rent Index - National

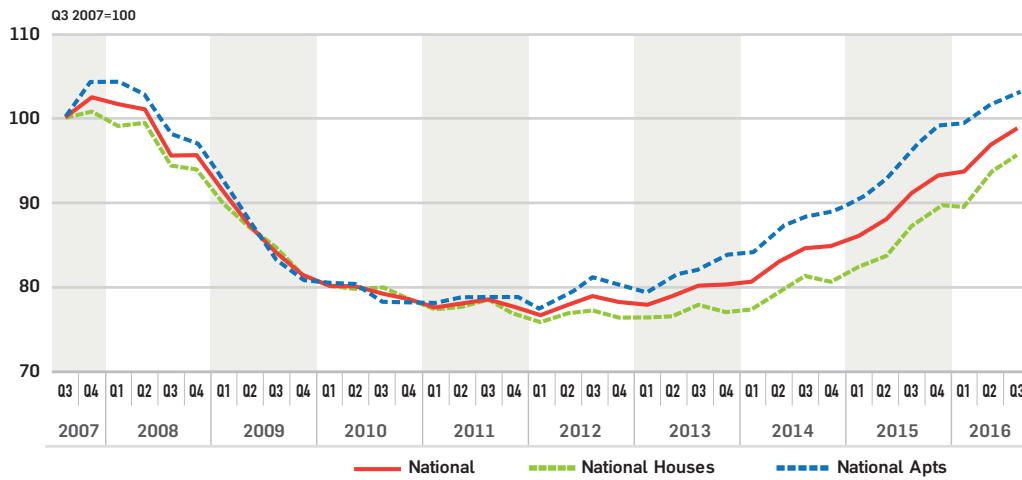


Figure 2 The RTB Rent Index - Dublin

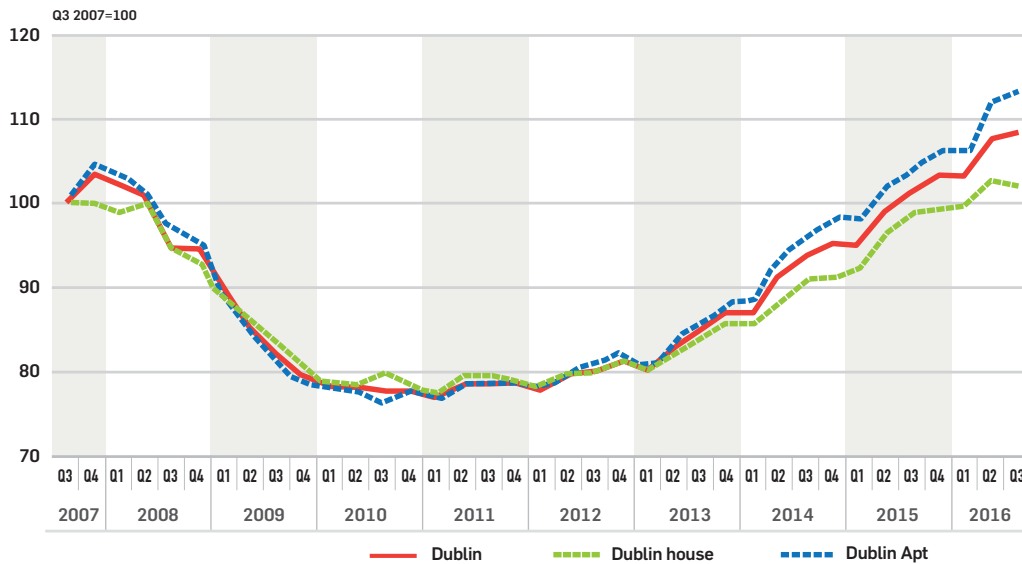


Figure 3 The RTB Rent Index - Outside Dublin

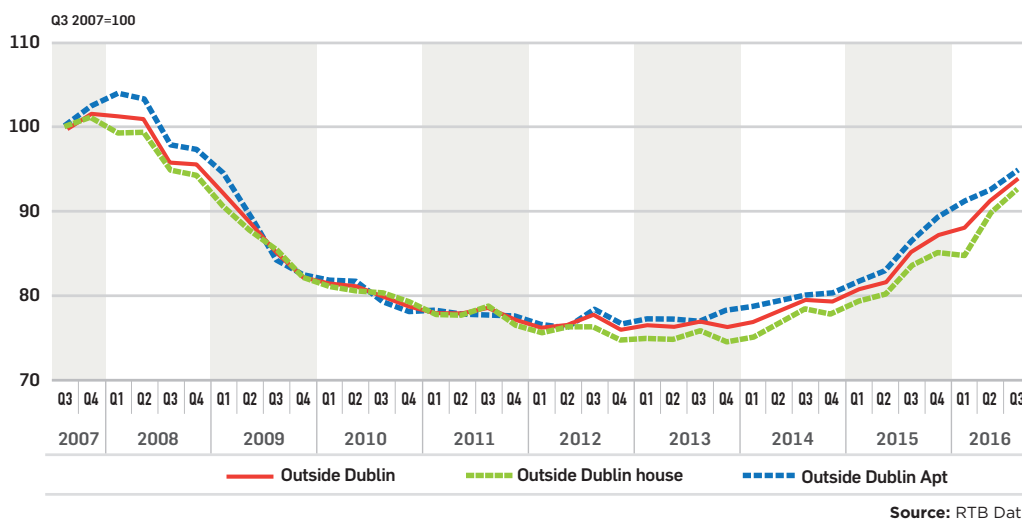
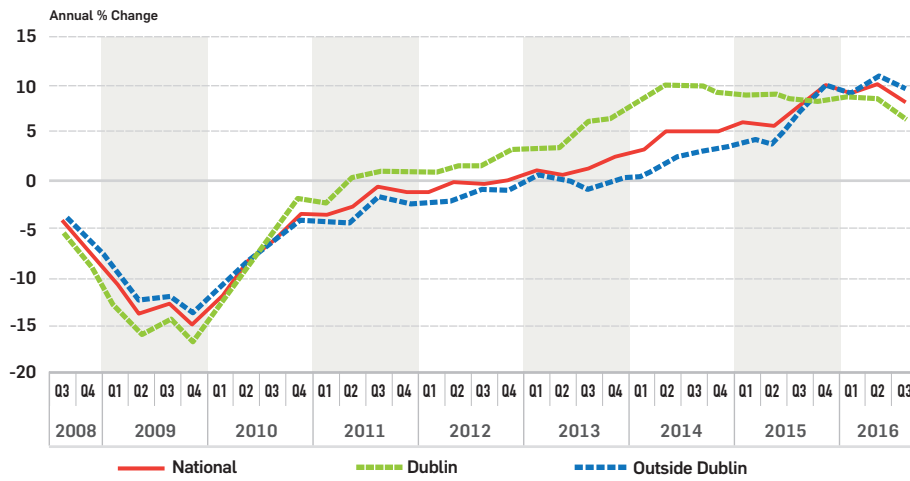


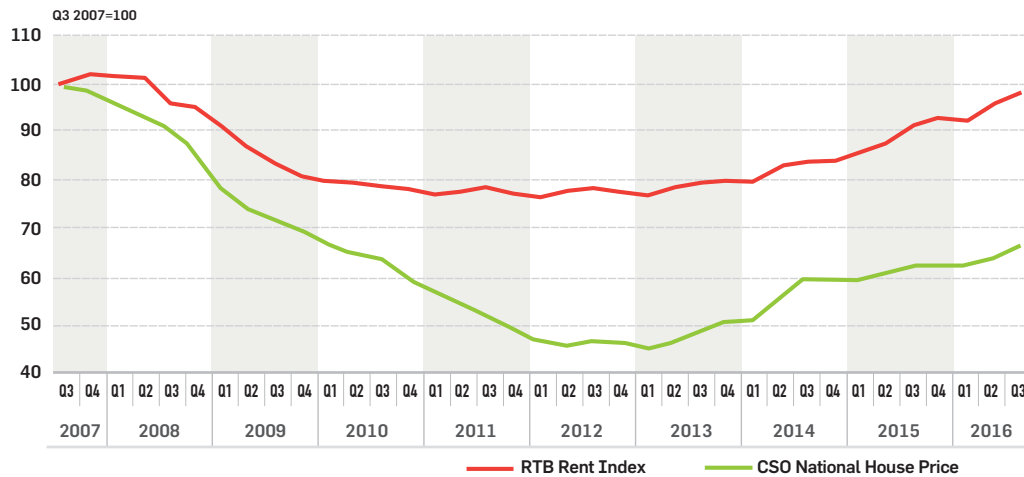


Figure 4 Annual Growth RTB Rent Index

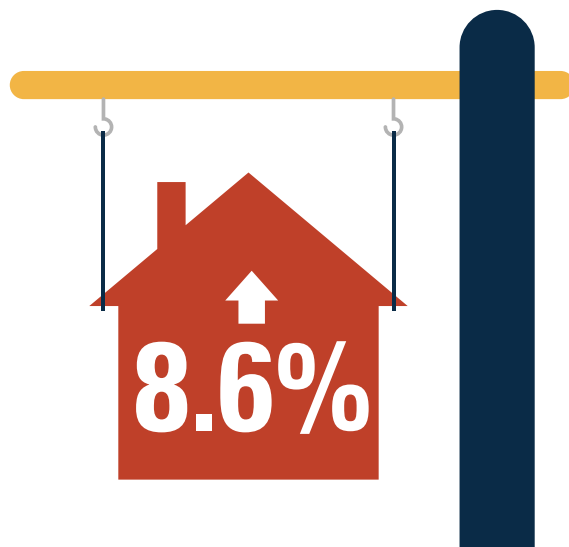


Source: RTB Data

Figure 5 National House Prices and National Rents



Source: RTB Data and own calculations using CSO data



ON AN ANNUAL BASIS, NATIONALLY, RENTS WERE **8.6 PER CENT** HIGHER THAN IN QUARTER 3 OF 2015.



Location

Dublin remains the largest rental market with Dublin post codes accounting for over one third of properties on the market. In 2007 Dublin post codes accounted for approximately 41 per cent of the rental market. Other urban centres (Cork, Limerick, Waterford and Galway) account for approximately 14 per cent of rental properties.

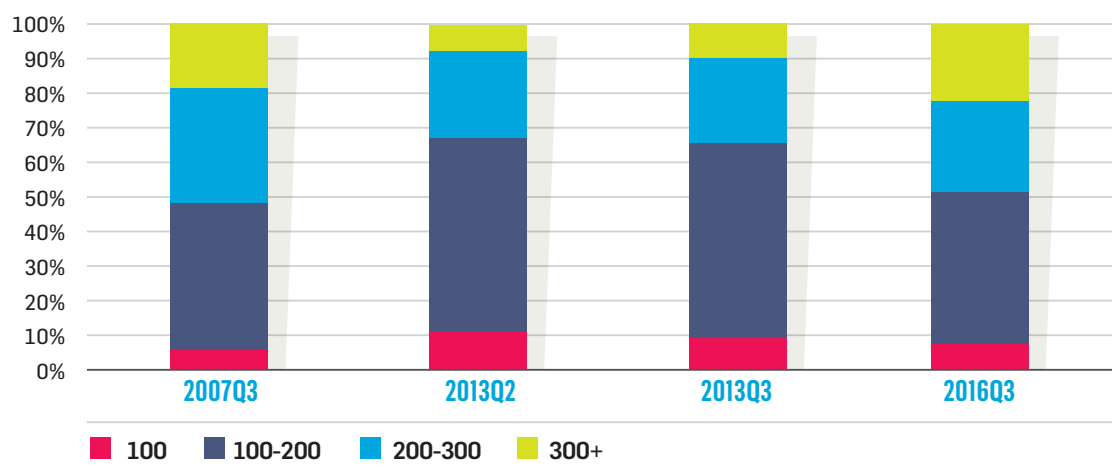
Property size and type

The data shows that 2 bed and 3 bed properties are the most common property size in the rental market. Together they account for about 69 per cent of total properties in the market in Q3 2016. The most frequent property types in Q3 2016 are apartments, accounting for 44 per cent of the total. These trends do not appear to have changed significantly over time with about the same proportion observed in Q3 2013.

Distribution of rents

From the distribution of rents over time it is clear that there are a growing proportion of properties with rents of €300+ per week at approximately 22 per cent of the total. This is 5 percentage points higher than the previous peak in Q3 2007. The largest proportions of properties cost between €100 and €200 per week accounting for 45 per cent of the total. There has been a significant reduction in the proportion of properties with rents of less than €100, falling from 9 per cent to 6 per cent since Q3 2013 and this reflects the surge in rents over the last number of years.

Figure 6 Distribution of properties by weekly rent, selected dates



Rents and House prices

Both the CSO property price index and the RTB rent index increased in Q3 2016. Since Q1 2015 the rent index has consistently grown at a faster pace than the property price index. This quarter, however, the property price index increased by 4.2 per cent whereas the rent index increased by 2.3 per cent.



Table 1

		National	National Houses	National Apts	Dublin	Dublin Houses	Dublin Apts	Outside Dublin	Outside Dublin Houses	Outside Dublin Apts
2007	Q3	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Q4	102.6	100.8	104.4	103.3	100.1	104.6	101.7	101.1	102.8
2008	Q1	101.7	99.2	104.3	102.2	98.8	103.5	101.4	99.5	104.0
	Q2	101.1	99.5	102.8	100.9	99.7	101.4	101.1	99.5	103.3
	Q3	96.0	94.8	98.6	94.8	93.8	97.0	96.3	95.3	98.5
	Q4	95.4	94.0	97.0	94.6	93.1	95.0	95.6	94.3	97.3
2009	Q1	91.2	89.7	92.5	89.2	87.8	89.1	92.2	90.5	94.4
	Q2	87.3	87.0	87.4	84.8	85.3	84.0	88.7	87.6	89.5
	Q3	84.0	84.7	83.2	81.6	82.7	80.2	85.1	85.4	84.1
	Q4	81.3	81.4	81.1	79.0	79.7	78.0	82.4	82.1	82.9
2010	Q1	80.4	80.1	80.6	78.0	77.8	77.5	81.6	81.1	81.9
	Q2	80.1	79.7	80.3	77.9	77.9	77.4	81.1	80.5	81.6
	Q3	79.1	80.1	78.1	77.4	79.6	75.9	80.0	80.5	79.0
	Q4	78.4	78.4	78.4	77.6	77.9	77.4	79.1	79.2	78.4
2011	Q1	77.6	77.3	78.0	76.5	76.8	76.3	78.0	77.8	78.4
	Q2	78.1	77.7	78.8	78.1	78.9	78.0	77.8	77.6	77.7
	Q3	78.7	78.6	78.8	78.3	79.0	77.9	78.8	78.8	78.0
	Q4	77.8	76.7	79.0	78.4	78.4	78.5	77.3	76.5	77.9
2012	Q1	76.7	75.8	77.8	77.2	77.7	77.8	76.3	75.4	76.9
	Q2	78.0	76.7	79.1	79.5	79.2	79.6	76.5	76.1	76.3
	Q3	78.7	78.0	81.1	79.8	79.4	80.7	78.4	77.7	78.9
	Q4	78.0	77.3	80.0	81.1	80.7	82.0	76.7	76.4	76.5
2013	Q1	77.6	77.3	79.0	79.9	80.1	79.9	77.0	76.5	76.9
	Q2	78.6	77.7	81.0	82.5	82.0	83.5	77.0	76.5	76.8
	Q3	79.8	78.9	81.9	84.8	84.1	85.3	77.6	77.4	76.8
	Q4	80.0	78.1	83.5	86.7	85.4	87.9	77.0	76.1	78.1
2014	Q1	80.3	78.4	83.8	86.8	85.5	88.4	77.5	76.5	78.5
	Q2	82.6	80.3	86.6	90.8	88.2	93.2	78.9	78.2	79.4
	Q3	84.3	82.5	87.7	93.4	90.7	95.9	80.2	80.2	79.6
	Q4	84.4	81.7	88.6	94.9	91.0	97.7	79.7	79.2	79.6
2015	Q1	85.3	82.9	89.5	94.7	92.1	97.8	80.9	80.5	81.2
	Q2	87.6	84.8	92.2	99.1	96.0	101.9	82.1	81.7	82.3
	Q3	90.7	88.5	94.4	101.2	98.7	103.6	85.9	85.6	85.4
	Q4	92.9	89.7	97.9	103.1	99.4	106.0	88.0	87.0	89.0
2016	Q1	93.0	89.4	98.7	103.2	99.5	106.3	88.5	86.6	91.1
	Q2	96.3	92.6	102.0	107.7	102.5	111.8	91.0	89.9	91.8
	Q3	98.5	95.1	103.8	108.4	101.9	113.5	94.3	93.2	94.9

Note: The data in this table may be revised due to retrospective registrations.

The RTB Rent Index, Quarter on Quarter % change



Table 2

		National	National Houses	National Apts	Dublin	Dublin Houses	Dublin Apts	Outside Dublin	Outside Dublin Houses	Outside Dublin Apts
2007	Q4	2.6	0.8	4.4	3.3	0.1	4.6	1.7	1.1	2.8
2008	Q1	-0.8	-1.6	-0.2	-1.1	-1.3	-1.0	-0.4	-1.6	1.2
	Q2	-0.6	0.3	-1.4	-1.3	0.9	-2.0	-0.2	-0.0	-0.7
	Q3	-5.1	-4.7	-4.1	-6.0	-5.9	-4.3	-4.8	-4.2	-4.7
	Q4	-0.5	-0.9	-1.6	-0.3	-0.8	-2.1	-0.8	-1.0	-1.1
2009	Q1	-4.4	-4.5	-4.7	-5.7	-5.7	-6.2	-3.5	-4.1	-3.0
	Q2	-4.2	-3.1	-5.5	-4.9	-2.8	-5.8	-3.7	-3.2	-5.1
	Q3	-3.8	-2.6	-4.8	-3.9	-3.0	-4.5	-4.1	-2.5	-6.1
	Q4	-3.3	-3.9	-2.5	-3.2	-3.7	-2.8	-3.1	-3.9	-1.4
2010	Q1	-1.1	-1.6	-0.7	-1.2	-2.4	-0.7	-1.1	-1.3	-1.1
	Q2	-0.4	-0.4	-0.3	-0.2	0.2	-0.1	-0.6	-0.7	-0.4
	Q3	-1.2	0.4	-2.7	-0.6	2.1	-1.9	-1.4	-0.1	-3.2
	Q4	-0.9	-2.0	0.3	0.2	-2.1	2.0	-1.1	-1.6	-0.8
2011	Q1	-1.1	-1.5	-0.5	-1.4	-1.5	-1.4	-1.3	-1.8	0.0
	Q2	0.7	0.5	1.1	2.1	2.7	2.1	-0.3	-0.2	-0.9
	Q3	0.8	1.1	-0.0	0.3	0.2	-0.1	1.2	1.6	0.4
	Q4	-1.1	-2.4	0.2	0.1	-0.8	0.9	-1.8	-3.0	-0.1
2012	Q1	-1.5	-1.2	-1.5	-1.5	-0.9	-1.0	-1.3	-1.5	-1.3
	Q2	1.7	1.3	1.7	2.9	1.9	2.4	0.3	1.0	-0.8
	Q3	1.0	1.6	2.5	0.4	0.2	1.3	2.5	2.0	3.4
	Q4	-1.0	-0.8	-1.4	1.6	1.7	1.6	-2.2	-1.7	-3.1
2013	Q1	-0.6	-0.0	-1.3	-1.5	-0.7	-2.5	0.4	0.3	0.6
	Q2	1.4	0.6	2.5	3.3	2.3	4.5	0.0	-0.0	-0.1
	Q3	1.5	1.5	1.1	2.7	2.7	2.2	0.8	1.1	-0.0
	Q4	0.2	-1.0	2.0	2.2	1.5	3.0	-0.8	-1.7	1.7
2014	Q1	0.3	0.3	0.3	0.1	0.1	0.6	0.7	0.5	0.5
	Q2	3.0	2.5	3.4	4.6	3.1	5.4	1.8	2.2	1.1
	Q3	2.0	2.7	1.2	2.8	2.9	2.9	1.6	2.6	0.2
	Q4	0.2	-1.0	1.0	1.6	0.4	1.8	-0.6	-1.2	0.0
2015	Q1	1.0	1.6	1.0	-0.2	1.2	0.2	1.5	1.5	2.0
	Q2	2.7	2.2	3.1	4.6	4.2	4.2	1.5	1.6	1.4
	Q3	3.6	4.4	2.4	2.1	2.8	1.6	4.6	4.7	3.8
	Q4	2.4	1.3	3.7	1.9	0.7	2.3	2.4	1.6	4.2
2016	Q1	0.2	-0.4	0.8	0.1	0.1	0.4	0.6	-0.5	2.4
	Q2	3.5	3.7	3.3	4.4	3.0	5.2	2.9	3.9	0.8
	Q3	2.3	2.6	1.8	0.6	-0.6	1.5	3.6	3.6	3.4



The RTB Rent Index, Annual % change



Table 3

		National	National Houses	National Apts	Dublin	Dublin Houses	Dublin Apts	Outside Dublin	Outside Dublin Houses	Outside Dublin Apts
2008	Q3	-4.0	-5.2	-1.4	-5.2	-6.2	-3.0	-3.7	-4.7	-1.5
	Q4	-6.9	-6.8	-7.1	-8.4	-7.0	-9.1	-6.1	-6.7	-5.3
2009	Q1	-10.4	-9.6	-11.3	-12.8	-11.2	-13.9	-9.1	-9.0	-9.2
	Q2	-13.6	-12.6	-15.1	-15.9	-14.5	-17.2	-12.2	-11.9	-13.3
	Q3	-12.4	-10.7	-15.6	-14.0	-11.8	-17.3	-11.7	-10.4	-14.6
	Q4	-14.9	-13.4	-16.4	-16.5	-14.4	-17.9	-13.7	-13.0	-14.9
2010	Q1	-11.8	-10.8	-12.9	-12.5	-11.4	-13.1	-11.5	-10.4	-13.2
	Q2	-8.4	-8.3	-8.0	-8.2	-8.6	-7.9	-8.6	-8.1	-8.8
	Q3	-5.9	-5.5	-6.0	-5.0	-3.8	-5.4	-6.0	-5.8	-6.0
	Q4	-3.5	-3.6	-3.3	-1.7	-2.2	-0.8	-4.1	-3.5	-5.4
2011	Q1	-3.5	-3.4	-3.2	-1.9	-1.3	-1.5	-4.3	-4.0	-4.2
	Q2	-2.5	-2.6	-1.9	0.3	1.2	0.8	-4.0	-3.6	-4.8
	Q3	-0.5	-1.9	0.8	1.2	-0.7	2.6	-1.5	-2.0	-1.2
	Q4	-0.7	-2.2	0.7	1.0	0.6	1.5	-2.2	-3.4	-0.6
2012	Q1	-1.1	-2.0	-0.3	1.0	1.2	1.9	-2.2	-3.1	-2.0
	Q2	-0.2	-1.2	0.4	1.7	0.4	2.1	-1.7	-1.9	-1.8
	Q3	0.0	-0.8	2.9	1.9	0.4	3.6	-0.4	-1.5	1.1
	Q4	0.2	0.8	1.3	3.5	3.0	4.4	-0.8	-0.2	-1.9
2013	Q1	1.1	2.0	1.6	3.4	3.2	2.8	0.9	1.6	0.0
	Q2	0.9	1.3	2.4	3.8	3.5	4.8	0.7	0.5	0.7
	Q3	1.4	1.2	0.9	6.2	6.0	5.8	-1.0	-0.4	-2.6
	Q4	2.6	1.0	4.4	6.8	5.8	7.2	0.4	-0.4	2.1
2014	Q1	3.5	1.4	6.0	8.6	6.7	10.7	0.7	-0.1	2.1
	Q2	5.1	3.3	7.0	10.1	7.5	11.7	2.4	2.2	3.3
	Q3	5.5	4.6	7.1	10.2	7.8	12.4	3.3	3.7	3.6
	Q4	5.5	4.5	6.1	9.5	6.6	11.2	3.5	4.2	1.9
2015	Q1	6.2	5.8	6.8	9.2	7.7	10.7	4.4	5.2	3.4
	Q2	6.0	5.5	6.5	9.2	8.9	9.4	4.1	4.6	3.7
	Q3	7.7	7.3	7.7	8.4	8.8	8.0	7.2	6.7	7.4
	Q4	10.0	9.9	10.6	8.7	9.2	8.5	10.4	9.8	11.8
2016	Q1	9.1	7.8	10.3	8.9	8.1	8.7	9.3	7.6	12.2
	Q2	10.0	9.3	10.6	8.7	6.8	9.7	10.9	10.0	11.6
	Q3	8.6	7.4	9.9	7.1	3.3	9.6	9.7	8.8	11.1

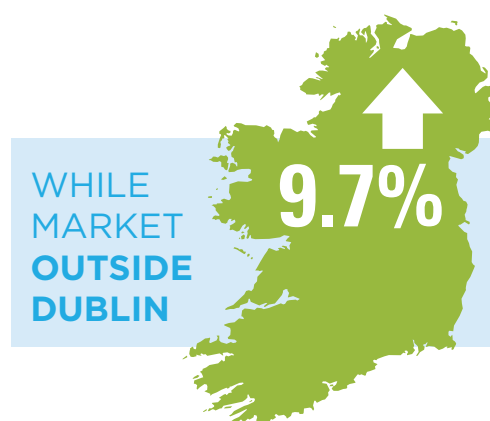




Table 4

		National	National Houses	National Apts	Dublin	Dublin Houses	Dublin Apts	Outside Dublin	Outside Dublin Houses	Outside Dublin Apts
2007	Q3	988	1017	980	1269	1450	1231	820	859	780
	Q4	1013	1025	1023	1311	1452	1287	834	869	801
2008	Q1	1005	1009	1021	1297	1432	1275	831	854	811
	Q2	999	1012	1007	1280	1445	1249	829	854	806
	Q3	948	965	966	1204	1360	1195	790	818	768
	Q4	943	956	950	1200	1349	1170	784	810	759
2009	Q1	901	913	906	1132	1272	1098	756	777	736
	Q2	863	885	856	1076	1236	1034	728	753	698
	Q3	830	861	815	1035	1199	988	698	734	656
	Q4	803	828	795	1002	1155	960	676	705	646
2010	Q1	794	814	789	990	1127	954	669	696	639
	Q2	791	811	787	988	1130	953	665	692	636
	Q3	782	814	765	983	1153	934	656	691	616
	Q4	775	798	768	985	1129	953	648	680	611
2011	Q1	766	786	764	971	1113	940	640	668	612
	Q2	772	790	772	991	1143	960	638	667	606
	Q3	778	799	772	994	1145	959	646	677	609
	Q4	769	780	774	995	1136	967	634	657	608
2012	Q1	758	771	762	980	1126	957	626	647	600
	Q2	770	781	775	1008	1148	980	627	654	595
	Q3	778	793	795	1013	1151	993	643	667	615
	Q4	771	786	784	1029	1170	1009	629	656	596
2013	Q1	766	786	774	1014	1162	984	632	657	600
	Q2	777	791	793	1047	1188	1028	632	657	599
	Q3	789	803	802	1076	1220	1050	637	664	599
	Q4	791	794	818	1100	1238	1082	631	653	609
2014	Q1	793	797	821	1101	1240	1089	636	657	612
	Q2	816	817	849	1152	1278	1148	647	671	619
	Q3	833	839	859	1185	1315	1181	657	689	620
	Q4	834	831	868	1204	1320	1203	653	680	621
2015	Q1	842	843	876	1202	1335	1205	663	691	633
	Q2	865	862	903	1258	1392	1255	673	702	642
	Q3	897	900	925	1285	1431	1275	705	735	666
	Q4	918	912	959	1308	1441	1305	721	747	694
2016	Q1	919	909	967	1309	1443	1309	725	743	710
	Q2	952	942	999	1367	1487	1377	746	772	716
	Q3	973	967	1017	1375	1478	1397	773	800	740

Note: The standardised rent is based on the average rent in the base period which is then updated using the values contained in Rent Index table. The data in this table may be revised due to retrospective registrations.



The RTB Rent Index is produced by the ESRI based on anonymised data supplied by the RTB. It is produced using a hedonic regression. Details on the methodology are available from www.rtb.ie and www.esri.ie.

There may be revisions to earlier quarters due to retrospective registrations. Historic time series for the index and the rent values are also available at the websites.

Average rents for different property types, sizes and locations are available on the RTB website.
Produced in conjunction with the ESRI.