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Buying and selling property in Ireland: Behavioural evidence on bidding systems, stressors and market comprehension

DEIRDRE ROBERTSON, ADAM JOACHIM SHIER, SHANE TIMMONS AND PETE LUNN
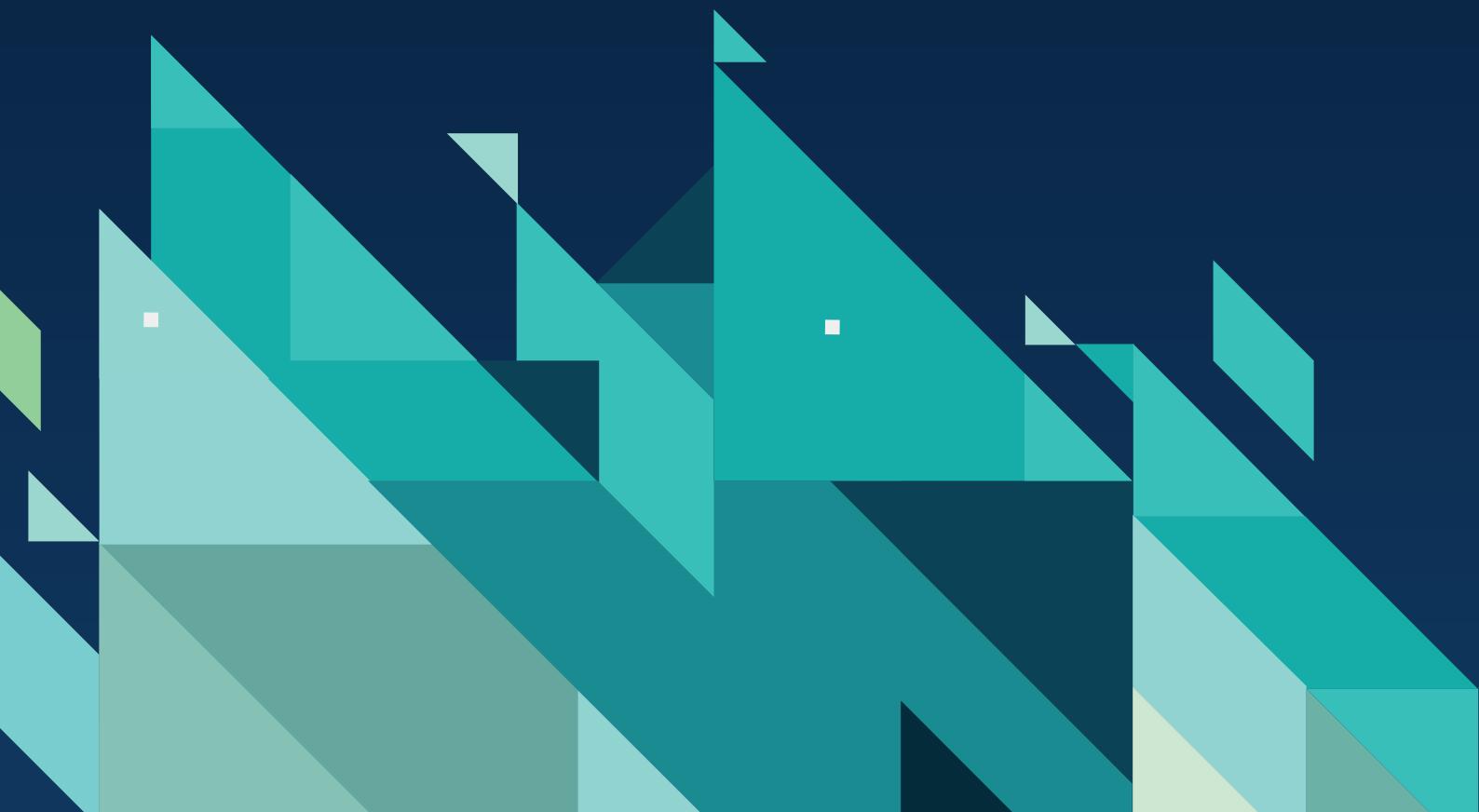
BUYING AND SELLING PROPERTY IN IRELAND: BEHAVIOURAL EVIDENCE ON BIDDING SYSTEMS, STRESSORS AND MARKET COMPREHENSION

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ABBREVIATIONS

CCPC   Competition and Consumer Protection Commission

CSO   Central Statistics Office

DV   Dependent variable

OR   Odds ratio

M   Mean

SD   Standard deviation

SE   Standard error

EXECUTIVE SUMMARY

This report investigates how the Irish housing transaction system influences buyer and seller behaviour. Drawing on behavioural science, it explores how cognitive biases, including auction fever, loss aversion and ambiguity aversion, may be exacerbated by features of the Irish market. We empirically assess how bidding systems, knowledge gaps, and transactional stressors affect decision-making.

A nationally representative sample of 800 adults participated in a mixed-methods study comprising an online auction experiment and a survey. Participants engaged in simulated property bidding under four conditions: a control, sealed bid, estate agent and online platform. In the control condition, participants indicated what they thought was the maximum amount a friend or family member should pay for a given house. In the three other conditions, the participants bid on houses for themselves. The bidding used realistic house descriptions and budgets. A survey then assessed participants' knowledge of rights and responsibilities, their experiences and expectations of transactional stressors, and their preferences for system reforms.

The experiment found that open bidding systems including estate agent and online platforms led participants to bid significantly more than in the sealed bid and control conditions, often exceeding their pre-stated ideal budgets. The survey revealed that knowledge of rights and responsibilities is low, with widespread misconceptions about legal obligations and protections. Two-thirds of all buyers reported experiencing at least one transactional stressor, but this rose to 84 per cent of buyers who had purchased in the past three years. Half of all sellers had experienced at least one stressor. Conveyancing delays for both buyers and sellers and unexpected costs for buyers were the most common. When asked which elements of the system they would prefer, participants leaned towards online bidding platforms, seller-led surveys and legal binding upon contract signing. Participants also believed that online bidding platforms would be the most likely system to reduce house prices in Ireland. The data from the experiment suggest that this expectation may not be met.

The findings highlight how behavioural dynamics – such as competitive pressure and poor information – can lead to disadvantageous decisions for both buyers and sellers in the Irish housing market. While participants favour the transparency of online systems, their behaviour in auctions suggests that open systems may unintentionally push up prices. The prevalence of transactional stressors and knowledge gaps underscores the need for improvements, potentially with clearer guidance and streamlined conveyancing. The report considers some areas for reform that would align system design with behavioural insights, with a view to reducing stress for both buyers and sellers and improving decision-making and trust in the property market.

CHAPTER 1

Introduction

Buying a home is the biggest financial commitment that most individuals make in their lifetimes (Agarwal et al., 2021; Kuchler et al., 2023). The decision carries long-lasting financial consequences as well as significant short- and long-term practical and emotional implications. Where mistakes happen, they can be costly and difficult to reverse. Moreover, the process of purchasing a home is complex, requiring multiple decisions under conditions of uncertainty. Behavioural science has shown that these types of contexts – where decisions are high-stakes, emotionally charged, and information is imperfect – are particularly challenging and more likely to induce cognitive biases that could lead to mistakes (Ellsberg, 1961; Kahneman and Tversky, 1979; Loewenstein et al., 2001). Given the potentially significant consequences of poor decisions, it is important to understand how the system for buying and selling homes might induce cognitive biases, and how these effects could be mitigated. Despite the high stakes, little empirical research has examined how these biases manifest in real-world housing markets, particularly in Ireland. This paper is an attempt to capture together the experiences, expectations, knowledge, preferences and behaviour of consumers within the Irish housing market.

In Ireland, most buyers begin the process by obtaining mortgage approval in principle up to a maximum amount – a figure that, combined with a deposit, serves as an upper-bound on affordability – before looking for suitable homes within this price limit (Central Statistics Office (CSO), 2023). Many homes in Ireland are sold through an estate agent who co-ordinates valuation, advertising, viewings, and manages bids. When a buyer identifies a property they would like to buy, they submit an offer to the estate agent, who records and communicates it to the seller. As bidding progresses, the agent provides updates on offers to all interested parties.

Another practice is the use of online offer systems, often controlled by estate agents, where parties register their interest in the property and can see and make offers at any time.[1] This differs from the traditional estate agent route as people can see the full history of bids, including amounts, timing, and number of bidders – potentially offering greater transparency than the traditional method.

In both systems, bidding is typically carried out in an 'open offer' framework, wherein prospective buyers bid until an offer is accepted, with varying degrees of transparency about other bidders' activity. When a bid is accepted, the property is marked 'sale agreed' and the legal process of conveyancing begins. Buyers pay a refundable booking deposit before arranging for a condition survey, if they wish.

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[1] This system is offered with platforms such mySherryFitz (www.sherryfitz.ie/advice/mysherryfitz), Offers by Daft.ie (www.agentproducts.daft.ie/offers) and MyHomeOffers (https://myhomeoffers.ie), among others.

At this stage, the sale is not legally binding; either party may withdraw without penalty for any reason; this could include sellers receiving a higher offer or buyers encountering financing problems. The buyer can also reclaim the booking deposit at this stage. The sale is only legally complete once conveyancing is complete and contracts have been signed by both parties – typically four months after offer acceptance (Competition and Consumer Protection Commission (CCPC), 2025).

The Irish system shares some features with the systems of neighbouring countries, but also differs. In England and Wales, the system is largely similar to Ireland; open offers are a common form of bidding, the sale does not become legally binding until after conveyancing and the purchaser can decide whether or not to do a condition survey (Cromarty, 2022). The system in Scotland is less similar; most bidding is done through sealed bids where the seller provides a Home Report that includes a condition survey before bidding, potential purchasers put in a blind bid and the seller and buyer have legal obligations to sell/purchase the property within a specified period of time after negotiations have concluded but before conveyancing has begun or face penalties (for a more complete description of differences in housing transaction systems, see Cromarty, 2022; Lunn et al., 2025).

Another feature of the Irish housing market that differs from its neighbours is price volatility. An investigation of prices from 1995 to 2017 across 22 advanced economies found that nominal Irish prices changed more than in any other nation before, during and after the global financial crisis (McQuinn, 2017). A recent analysis shows quarter-on-quarter price swings above 5 per cent occurring more than one-sixth of the time in the past 20 years (Lunn et al., 2025). There are some features of the Irish market that might help to explain this volatility, including credit liberalisation and then tightening before and after the global financial crisis, relatively high migration and supply challenges (Egan et al., 2024; Kennedy and Myers, 2019). There may also be bi-directional relationships, with variability in prices influencing individuals' expectations for the market, which in turn influence both individual and aggregate outcomes (Kuchler et al., 2023). For example, expectations that prices will rise can result in potential purchasers being willing to pay more and potential sellers delaying selling (Kuchler et al., 2023).

The price volatility in the Irish market, along with people's expectations for it and responses to it, introduce additional uncertainty to the decision to buy or sell a home. Behavioural science suggests decision-making under conditions of uncertainty can be systematically biased in predictable ways (Tversky and Kahneman, 1974). A recent review paper on the behavioural economics of housing transactions identified cognitive biases that may influence decision-making at all stages of transacting houses (Lunn et al., 2025). These biases fall into three categories: response to risk and loss, social influences and cognitive heuristics (Bikhchandani and Sharma, 2000; Fox and Tversky, 1995; Frederick et al., 2002; Fuster et al., 2010; Garland, 1990; Kahneman and Tversky, 1979; Laibson, 1997; McGee, 2013; O'Donoghue and Rabin, 2015; Thaler, 1980; Tversky and Kahneman, 1974). Responses to risk and loss include ambiguity aversion, which is a preference for choosing risks that are familiar or known over unknown ones. Others are loss

aversion, which is the tendency to feel losses more intensely than equivalent gains; sunk cost fallacy, where individuals continue to invest in something because they have already invested something, even if further expenditure is not beneficial; and present bias, which is the tendency to prefer immediate rewards over future benefits. Social influences include herding, where people base their decisions on other people's behaviour and auction fever, which is the drive to beat the competition once in an auction. Cognitive heuristics such as anchoring and extrapolation bias may also play a role in decisions about housing. Anchoring is the tendency to be overly influenced by the first number or piece of information one sees. Extrapolation bias involves assuming that existing trends will continue.

These cognitive biases are likely to influence whether people choose to enter the market or not (as a buyer or a seller), how much they are willing to pay (or accept), how much financial risk they will take, their perceived value of a property and their behaviour while bidding. Existing features of the Irish system for transacting properties, including market volatility and procedural stressors, may enhance the effects of these biases and lead some people to make poor decisions. A recent review paper hypothesised that the housing transaction system may influence decision-making and behaviour and recommended empirical investigations to understand how people conceive of and behave in the Irish market (Lunn et al., 2025).

For example, if certain offer systems exacerbate auction fever, increase loss aversion, or generate anchoring effects, decision-making may systematically differ depending on what system is in use. Similarly, ambiguity aversion may deter participation in the market if individuals are not familiar with processes, rights and responsibilities within the system. Ambiguity aversion could also cause individuals to try to leave the market as quickly as possible by taking the first opportunity that arises, whether or not it is the right decision. Data on the frequency of sunk costs and losses would indicate how much sunk cost fallacy and loss aversion could be influencing decisions. Understanding perceptions of fairness within the system may also highlight points for both buyers and sellers that contribute to stress or disadvantageous decisions.

This report presents an empirical study of how individuals navigate the Irish property market, focusing on their experiences, expectations, knowledge and behaviour. It begins by describing an experiment designed to test the influence of bidding systems on decision-making, then presents the results of a survey that captured past experiences and expectations.

We are not aware of similar experiments in Ireland or other jurisdictions that have tested the effects of different bidding systems for houses on behaviour. There have been some empirical studies in other jurisdictions suggesting that sealed bid auctions for land lead to lower final prices than English auctions (i.e. auctions in which bids escalate and are known) (Chow and Ooi, 2014). There are mixed results on auctions for residential properties, with some finding that auctions result in premium sale prices compared to private-treaty sales and others showing they do

not (Dotzour et al., 1998; Frino et al., 2012). However, there is a selection bias in this type of empirical data because features of the house or land can determine whether it is sold by auction or private treaty (Frino et al., 2012). In a field setting, disentangling the property or land from the bidding system is difficult. Laboratory studies on auctions for abstract items (not houses) have found that English auctions induce overbidding due to auction fever (McGee, 2013), while sealed bid auctions result in bids that more consistently match the participants' true valuations (Andersson et al., 2013). However, these studies were not done on auctions for houses. This report presents an experiment designed to test the effects of different bidding systems on hypothetical bids for residential properties in the Irish market. In addition, it provides a comprehensive overview of the experiences and expectations of buyers, sellers and future buyers and sellers that the literature review suggested might influence decision-making.

CHAPTER 2

Methods

2.1 STUDY DESIGN

This study was a survey that contained an experiment within it. Figure 2.1 gives an overview of the sections within the full survey experiment and the order in which participants completed them. Full materials are available on the project's Open Science Framework page[2] and in the Appendix. The study was programmed using Gorilla Experiment Builder and was laptop, tablet and mobile compatible (Anwyl-Irvine et al., 2020). Participants were informed that the study was about the housing market in Ireland and that we were interested in what they think about how houses are bought and sold. We describe each survey component (white boxes in Figure 2.1) in subsections below, after first explaining the design of the auction experiment.

FIGURE 2.1   FULL STUDY DESIGN
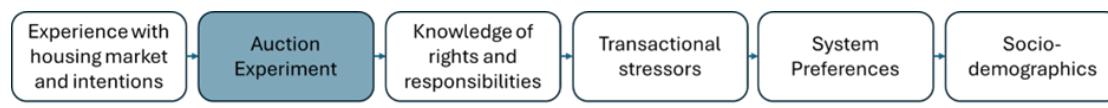
2.1.1 Experimental Design

The experiment was designed to test how people's bidding behaviour changes when faced with different kinds of auction. Participants took part in three auctions, each for a different house and each using a different kind of auction. For comparison, a separate control condition asked them, when not in any kind of auction, to provide a maximum advisable bid for another house. We wanted to compare the amount that people bid across the systems. Figure 2.2 gives an overview of the tasks within the experiment and the order in which they were completed. Participants were randomised to see the control condition first or last. We describe each task in detail below.

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[2] https://osf.io/6fhax/?view_only=0ffd29e207ae4780ba5b6f3630a01aca.

FIGURE 2.2   **OVERVIEW OF EXPERIMENT DESIGN**
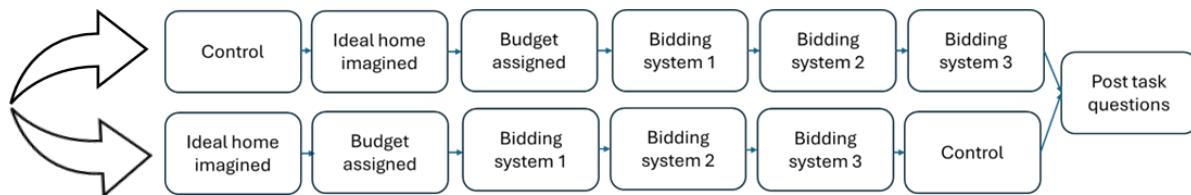
2.1.1.1   Ideal home imagined

Participants were told to imagine they had saved enough money and wanted to buy a house. They were then asked to describe their ideal home in open text. The aim was to enhance realism and level of task engagement, which piloting had shown was successful.

2.1.1.2   Background data and calculations

In the background, we assigned a maximum budget and a set of four asking prices for each participant.

To accomplish this, we created a small dataset from 34 properties that were advertised on Daft.ie in February 2025 and had all necessary data available. This consisted of the asking price, property description, history of bids and final sale price, giving us a real dataset on which to inform our property descriptions, asking prices and bid ranges.

We used this dataset to randomly assign each participant their budget and four asking prices for the houses they saw.

For each participant, we first selected one asking price from within an interquartile range of the real asking prices (€265,000–€390,000). We then generated three more asking prices randomly selected to be either: (i) €5,000 less than the first asking price; (ii) the same as the first asking price; (iii) €5,000 more than the first asking price. The mean asking price shown to participants in the experiment was €325,914 (SD = €37,022).[3] We chose different asking prices to enhance ecological validity, as participants would be likely in reality to look at houses with a range of asking prices, and to ensure they were not anchored on their previous bids by the asking price.

Finally, we randomly selected a maximum budget for the participant which was a round number 10 per cent higher than the highest randomly generated asking price (M = €362,616, SD = €40,790). This range was chosen to reflect real market conditions wherein most sale prices are 5–10 per cent above the asking price.[4]

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[3] Median sale price nationally was €360,000 in February 2025, close to when this data was collected, https://www.cso.ie/en/releasesandpublications/ep/p-rppi/residentialpropertypriceindexfebruary2025/.
[4] https://img.myhome.ie/prod/uploads/MyHome-Q4-2024-Property-Report.pdf and Daft.ie dataset.

2.1.1.3   Budget assigned

Having imagined their ideal home, participants were told their maximum budget. We then told them that buyers sometimes set an 'ideal budget', which is the share of their absolute maximum budget that they would ideally spend on a house. We asked participants to say what their own non-binding ideal budget would be, based on the maximum budget provided to them.

2.1.1.4   Bidding systems

There were four conditions that all participants completed: control, sealed bid, estate agent and online platform. We generated four house descriptions based on the actual descriptions in the Daft.ie dataset. Descriptions were modified to remove any unique or identifying information and any reference to specific location to make the task relevant for all participants. All participants saw all four house descriptions. Each of the four houses was randomly assigned to one of the four asking prices and one of the four conditions. Random matching of house descriptions to conditions for each participant ensured that systematic variation in bids across conditions could not be attributed to preferences for particular house descriptions; variation could only result from different bidding systems. Half of participants saw the control condition first and then the three other experimental conditions in a randomised order. The other half saw the three experimental conditions first in a randomised order followed by the control condition. We randomised order so that we could control for order effects, if they occurred, but we did not have a specific hypothesis about order effects. In all conditions, participants saw an asking price and a house description, a bid input field,[5] and bidding instructions specific to that condition. In all conditions except the control, they also saw a reminder of their maximum budget. We describe each condition below.

CONTROL

Participants saw a description of the house and the asking price. They were told that a friend or family member was interested in buying the house. They were asked, 'What would you say is the absolute maximum they should bid for it?' They entered the amount in euro in a box. The rationale for this task was to get a proxy measure of what participants thought a house was worth, in general, to compare against bids on houses when in an auction situation. There is no metric we could use to get an objective value. Moreover, asking people directly what they thought a house was worth would depend on their own personal preferences. Note also that had we asked participants to say what they thought a house was worth before they bid on it might have anchored their final bids on what they said initially. This task therefore acted as a proxy in which the participant still had to state a price that they thought the house was worth, but in a way that was more psychologically

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[5] Input was restricted to three figures (appearing as €[___],000) removing the risk of input errors in the form of missing 0s, etc.

distant from the decision and entirely removed from the process of bidding on it.

ESTATE AGENT

The estate agent system mimicked the system typically employed in Ireland: an open (English) auction wherein all bidding activity occurs through an estate agent, typically via phone or email. Participants saw the following instructions: 'The estate agent selling this house is taking bids directly. They will communicate any bids to you when they come in and you will be able to bid again. You are the first bidder.' Once the participant had submitted a bid, the following message appeared: 'Thank you, the estate agent has received your bid and will pass this to the seller. Please wait. They will contact you soon with a response or any other bids.' This message then disappeared, and, following a small delay, a new message appeared: 'Hi, it's the estate agent on the phone. We have had some other interest in the house and the highest offer is now €(counteroffer). If you would like to put in a new offer, please let me know by entering it in the box below.' The counteroffer shown was a random number from €1–4,000 above the participant's last bid (in steps of €1,000).[6] Participants could enter another bid or drop out by pressing a button labelled 'I do not want to bid again'. The lower limit on bids was set at €20,000 below the asking for opening, and €1,000 above the current highest bid for all subsequent bids. If participants did not drop out, bidding proceeded as described above until they submitted a bid equal to their maximum budget or triggered a counterbid equal to or above their maximum budget, at which point the auction then ended.

ONLINE PLATFORM

The online platform system mimicked an online open (English) auction system wherein bids are submitted online and the full bidding history is visible. The instructions for this system were: 'The estate agent selling this house is taking bids using an online system. The system will automatically alert you when another bidder has put in a bid and you will be able to bid again. All bids will be displayed below. You are the first bidder.'

The online and estate agent systems were identical in terms of the way bids were entered, bid constraints, counteroffer amount, and how the auction ended. The conditions differed meaningfully after the first bid was submitted. Here, after submitting an opening bid, the participants saw 'Thank you. Your bid of €(bid) has been received. Please wait for further updates.' While this happened, a bid history box positioned below the bid input was populated with their bid amount. After a brief pause, the following message would appear: 'New bid from bidder (random six-digit ID): €(counteroffer)', and the bid history box would update, placing this new bid and the bidder ID on top. The number of 'competitors' the participant was bidding against was randomly selected from 4–7 (M = 5.49, SD = 1.12), a range reflective of the average number of bidders seen in the real bidding data. For each

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[6] This increment range was reflective of the average among bids for houses in the real bidding data taken from Daft.ie.

counteroffer, a random bidder ID was chosen from a set of IDs as large as the number of competitors.[7]

SEALED BID

The sealed bid system mimicked a blind bidding system, like that typically used for transacting houses in Scotland.[8] Here, interested parties can submit just one bid for a property and are not made aware of the details of any other bids. The set-up was similar to the previous two conditions, with differing instructions: 'The estate agent selling this house is taking one sealed bid from everyone. This means that everybody only puts in one bid. Nobody knows what other people have offered.' Once they submitted their bid, the screen advanced.

After each auction had ended, participants were told that bidding for this house had finished and that they could press 'next' to see the next house; no specific feedback was given as to the auction result.

The conditions are summarised in Table 2.1 and screenshots are shown in Figure 2.3.

TABLE 2.1   SUMMARY OF EXPERIMENTAL CONDITIONS

	Control	Sealed Bid	Estate Agent	Online
House description	Yes	Yes	Yes	Yes
Asking price	Yes	Yes	Yes	Yes
Assigned a budget	No	Yes	Yes	Yes
Instructions	What would you say is the absolute maximum a friend should bid for it?	Imagine you want to buy this house.	Imagine you want to buy this house.	Imagine you want to buy this house.
First bid entry	Yes	Yes	Yes	Yes
Knowledge of other bidders	No	No	Last highest bid	All previous bids and bidder ID numbers
Subsequent bids	No	No	Yes	Yes
Option to drop out	N/A	N/A	Yes	Yes

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[7] Note that this meant participants need not have seen bids by each 'competitor'; the auction could end before each ID was randomly chosen. Participants were not told how many competitors there were.

[8] See https://hoa.org.uk/advice/guides-for-homeowners/i-am-buying/sealed-bids/ for an overview of the process.

FIGURE 2.3   SCREENSHOT FROM EACH OF THE FOUR EXPERIMENTAL CONDITIONS

Imagine that a friend or family member is buying a house. We have described the house below and want you to tell us how much you think they should bid for it.

O'CONNELL&BYRNE
REALTY
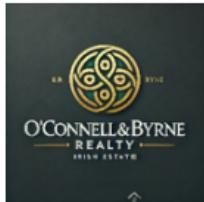
Asking price: **€375,000**

House description: This delightfully presented 2-bedroom 2-bathroom semi-detached residence is located in one of the most accessible areas of the suburbs. It occupies a corner site and fronts on to well-kept green. There are 2 double bedrooms, one with an ensuite, and one family bathroom. Outside there is a large rear garden.

What would you say is the **absolute maximum** they should bid for it? Please write in the box below.

Note: you only need to fill in the first 3 numbers.

€ [   ] ,000.

MURPHY&DOYLE
PROPERTIES

Asking Price: **€355,000**

House description: This is a superbly maintained and well located 3-bedroom corner house with wide side entrance offering enormous potential. Situated adjacent to open green, this property is tucked away in a quiet cul-de-sac close to all amenities. It has 2 double bedrooms and 1 single, a family bathroom, a kitchen/dining room and a garden with a paved patio and lawn.

Your maximum budget is: **€396,000**

Please imagine that you want to buy this house. You can decide how much to bid.

Instructions: The estate agent selling this house is taking **one sealed bid from everyone**. This means that everybody only puts in one bid. Nobody knows what other people have offered.
Take a moment to think and then enter your bid in the box below.

Note: you only need to fill in the first 3 numbers.

Enter your bid: € [   ] ,000. Submit

Asking Price: **€355,000**

House description: This delightfully presented 2-bedroom 2-bathroom semi-detached residence is located in one of the most accessible areas of the suburbs. It occupies a corner site and fronts on to well-kept green. There are 2 double bedrooms, one with an ensuite, and one family bathroom. Outside there is a large rear garden.

Your maximum budget is: **€396,000**

Hi, it's the estate agent on the phone. We have had some other interest in the house and the highest offer is now **€362,000**. If you would like to put in a new offer, please let me know by entering it in the box below.

Enter your bid: € [   ] **,000.** [Bid] [I do not want to bid again]

Asking Price: **€360,000**

House description: This modern 3-bedroom home is nestled in countryside but only minutes to the city. It is a semi-detached home with side access. It has 3 family bedrooms, an ensuite, a family bathroom, underfloor heating and a rear garden.

Your maximum budget is: **€396,000**

New bid from Bidder 000762: **€367,000**

Enter your bid: € [   ] **,000.** [Bid] [I do not want to bid again]

Current Bids	
Bidder 000762	€367,000
You	€365,000

Notes: Conditions in order they appear above: control, sealed bid, estate agent, online platform. The house description was randomly paired with the experimental condition. Each participant was randomly assigned to see a range of asking prices that could differ across conditions and a maximum budget that remained the same throughout.

2.1.1.5   Post-task questions

Immediately after completing the auction tasks, all participants were asked how much they tried to buy the houses in the task and how realistic it felt when they were bidding.

If the participant had previously purchased a house, they were then asked if, when last buying a home, they had thought of an ideal budget.

2.1.2   Survey design

2.1.2.1   Experience with housing market and future intentions

Participants were asked if they had bought or sold residential properties in Ireland or abroad. Those who indicated prior experience were asked how many properties they had bought or sold and when they had last bought or sold a property. All participants were asked if they may buy or sell a residential property in Ireland in future.

2.1.2.2   Knowledge of rights and responsibilities

We assessed knowledge of the rights and responsibilities of different actors in the housing market using a seven-item multiple-choice quiz. The quiz was incentivised, with each correct answer earning the participant an extra ticket to a raffle for €100. Topics covered were ghost bidding, buyers pulling out of a sale, retaining deposits, holding multiple deposits, marketing a sale agreed property, restrictions around low asking prices, and not informing prospective buyers of property issues. Each page presented a description of a scenario and a question with four response options. For instance, one question described a seller who would like a bidding war for her home and decides, with her agent, to set the asking price far below the true value. Participants were asked 'Under what circumstances is this legal?' and given options including 'This is never legal – asking prices cannot be set more than 10% below a property's value' and 'This is legal under any circumstances…', which was the correct answer. The order of the seven questions was randomised, as was the order of the response options. A total knowledge score for each participant was generated by summing the number of correct responses.

2.1.2.3   Transactional stressors

We assessed both the prevalence and expectation of adverse outcomes for buyers and sellers. Participants with experience of buying and/or selling were asked to think about the last time they bought/sold a property and asked to select if they had experienced any of the stressors that were provided in a list. The order of the stressors they could select from was randomised. Experienced buyers got tailored options depending on whether they last purchased a second-hand home or a new build. Eleven stressors were common to both second-hand and new build transactions, two were second-hand specific and three were new build specific. Participants without experience were shown the same items and indicated out of 100 typical buyers/sellers, how many they would expect to experience each

stressor when they bought or sold a house in Ireland.[9] Inexperienced buyers saw lists that included all new build and second-hand specific stressors.

2.1.2.4   System preferences

The final section asked participants to design a three-part system for buying and selling houses in Ireland that they believed would be most fair for both buyers and sellers combined. The participants first chose a system for bidding – open offer through estate agents, open offer through a visible platform, single blind (sealed) bids, or other (please specify). Next, participants chose the party responsible for a house's condition survey – sellers before a house goes to market, or buyers after a house goes sale agreed. Finally, they chose when the sale should become legally binding – as soon as an offer is accepted, or only when contracts are signed. Participants were then shown their three choices together and asked to indicate how fair this system was to everyone, to buyers, to sellers, to estate agents, and to lawyers on a numeric scale from 1 to 7. They were also asked how important each feature was in their opinion to ensuring the system was fair, and whether they thought the feature was fairer to buyers or sellers, or neither.

Finally, participants were asked which, if any, of the bidding systems they believed would be more likely to slow down increasing house prices, before indicating which of the bidding systems, if any, they had previous experience of.

2.1.2.5   Socio-demographic characteristics and survey feedback

The study ended with standard socio-demographic questions and optional questions around data use and any issues with the survey. Participants were first asked their age in years, where they were born (Ireland or Other (please specify)), and whether they would describe the area in which they live as being urban or rural. On the next page, participants were asked their highest level of educational attainment, their employment status, their gross household income, the number of people in their household, and if any children lived in the household. Closing out the survey, the participants were asked through optional, open text boxes whether anything was unclear or difficult to answer, and if there was any reason that their data may not be used for analysis.

2.1.3   Sample

A sample of 800 adults was recruited by a market research agency[10] to be nationally representative in terms of gender, age, region and socio-economic grade. We did not restrict our sample to only those currently in the housing process

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[9] Experienced buyers were not asked whether or not they had experienced being 'gazumped' – having a seller pull out after going sale agreed in order to accept a higher offer – as it was decided that it was unlikely they would be able to definitively say that it had occurred. Thus, for gazumping, only expected prevalence was measured.

[10] RED C Live (www.redclive.ie), which is a panel of over 40,000 members with an additional 200–500 added per month via online and offline recruitment efforts (including probability sampling and advertisements). Data quality has been validated against real outcomes (e.g., https://redcresearch.com/wp-content/uploads/2024/01/Slide2-1024x576-1.jpg).

because we wanted to track the experiences of those who had bought and sold homes in the past and the perspectives of those who might in future, as well as capturing the views of those currently doing so. The nationally representative sample size was selected to allow for a minimum cell size of 200 for each combination of house for sale and experimental condition. Participants were paid €3 for completing the study. Data collection spanned approximately two weeks across the end of May and the beginning of June 2025. The study involved primary data collection with non-vulnerable adults on topics other than health and sensitive issues. The requirement for approval by the Economic and Social Research Institute (ESRI) Research Ethics Committee was therefore waived.

TABLE 2.2   SAMPLE SOCIO-DEMOGRAPHICS

		N	%	CSO Estimate
Gender	Male	393	49.1	48.9
	Female	404	50.5	51.1
	Non-binary/Prefer not to say	3	0.4	-
Age	18–39 years	316	39.5	36.9
	40–59 years	275	34.4	36.4
	60+ years	209	26.1	26.7
Region	Dublin[4]	83	10.4	29.0
	Leinster (not incl. Dublin)	356	44.5	26.8
	Munster	225	28.1	26.8
	Connacht/Ulster	136	17.0	17.5
Education[1]	Below degree	462	57.8	63.9
	Degree or above	338	42.2	36.1
Employment	Not employed	282	35.3	43.9
	Employed[2]	518	64.8	56.1
Social Grade[3]	C2DEF	380	47.5	-
	ABC1	420	52.5	-

Notes:
1. The CSO estimate here is calculated by the authors using the 2022 census data that most closely matches the education question in this survey 'Degree or above' includes ordinary and honours bachelor's degrees, postgraduate degrees and doctoral degrees.
2. Part-time, full-time or self-employed.
3. Social grade is an imperfect measure of the education and occupation of the head of the household. ABC1 includes professional and managerial positions while C2DEF includes semi-skilled and manual labour. The census does not record social grade.
4. Note that Dublin is under-represented compared to CSO estimates. We carried out additional quality checks as a result and discuss the implications in the Discussion section.

CHAPTER 3

Results

The hypotheses and analysis plan were pre-registered on Open Science Framework prior to data collection.[11] We hypothesised that the auction systems conducted via estate agents and online platforms would increase prices relative to the control and sealed bid.

3.1 AUCTION EXPERIMENT

Participants gave ideal budgets of 85 per cent of their pre-assigned maximum budget (Standard Deviation (SD) = 15.2%) indicating that most people would prefer not to spend their entire budget when bidding on houses. Final bids, however, were on average 92 per cent of their maximum budget.

As participants had done all four conditions, we ran a multilevel linear regression with the final bid as the dependent variable and the type of auction as the main independent variable. We included asking price, budget, order of conditions and house type in the models. In a second model, we added age, gender, education and social grade. In a third step we added income. The results are shown in Table 3.1. All three auctions pushed bids above the level that participants thought was the maximum a friend or family member should spend (i.e. the figure supplied in the control condition). These increases were all statistically significant. Bidding in a sealed auction pushed bids around €6,800–€7,200 above this control level. When bidding through an estate agent, final bids were around €13,400–€14,000 above the control level. When bidding using the online platform, final bids were €15,500–16,000 above it. Tests of equality of coefficients showed that the sealed bid condition led to lower bids than the online platform (χ^2 (1) = 49.23, p < .0000) and the estate agent (χ^2 (1) = 28.12, p < .0000) conditions but the estate agent and online platform conditions were not different from each other (χ^2 (1) = 293, p = .09). Model 4 in Table 3.1 shows the results of a multilevel logistic regression with a binary variable denoting whether participants' final bid was over their ideal budget (1) or not (0) as the dependent variable. In this analysis we do not include the control condition as the ideal budget did not apply to that condition. We use the sealed bid system as the reference category. The online platform and estate agent conditions were more likely to lead people to bid over their ideal budget than the sealed bid condition. Marginal effects show this more clearly; just over one in two in the sealed bid condition (0.54) compared to nearly two in three in the online platform (0.65) and estate agent (0.61) conditions bid over their ideal budget.

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[11] Link to Open Science Framework page is here: https://osf.io/6fhax/?view_only=0ffd29e207ae4780ba5b6f3630a01aca.

TABLE 3.1   MULTILEVEL LINEAR AND LOGISTIC REGRESSIONS SHOWING EFFECT OF BIDDING SYSTEMS ON FINAL BIDS

	(1)	(2)	(3)	(4)
	DV: Final Bid (€)	DV: Final Bid (€)	DV: Final Bid (€)	DV: Bid Over Ideal Budget
	b/se/p	b/se/p	b/se/p	OR/se/p
Bidding system (ref. Control)				
Sealed Bid	6869.51	6871.16	7191.92	(Reference category)
	(1420.51)	(1420.46)	(1444.33)	
	p=0.000***	p=0.000***	p=0.000***	
Open Auction	15568.97	15570.19	16064.65	4.92
	(1438.65)	(1438.59)	(1466.89)	(1.09)
	p=0.000***	p=0.000***	p=0.000***	p=0.000***
Estate Agent	13447.77	13445.81	13980.76	2.63
	(1431.46)	(1431.40)	(1454.62)	(0.55)
	p=0.000***	p=0.000***	p=0.000***	p=0.000***
Asking Price	0.31	0.29	0.34	1.00
	(0.13)	(0.13)	(0.13)	(0.00)
	p=0.018*	p=0.023*	p=0.009**	p=0.001**
Budget	0.61	0.62	0.58	0.99
	(0.12)	(0.12)	(0.12)	(0.00)
	p=0.000***	p=0.000***	p=0.000***	p=0.003**
Order in which the bidding system was seen (ref. Seen first)				
Seen second	-3106.69	-3107.53	-3027.62	1.17
	(1384.99)	(1384.94)	(1412.66)	(0.29)
	p=0.025*	p=0.025*	p=0.032*	p=0.545
Seen third	53.94	52.06	57.02	2.22
	(1384.69)	(1384.63)	(1411.81)	(0.56)
	p=0.969	p=0.970	p=0.968	p=0.002**
Seen fourth	-2070.29	-2075.79	-1883.26	2.96
	(1239.51)	(1239.46)	(1261.54)	(1.02)
	p=0.095	p=0.094	p=0.135	p=0.002**
House description (ref. House 1)				
House 2	5310.59	5307.99	5563.66	1.65
	(1239.56)	(1239.51)	(1260.41)	(0.40)
	p=0.000***	p=0.000***	p=0.000***	p=0.038*
House 3	8100.81	8101.77	8576.33	2.70
	(1240.43)	(1240.38)	(1261.45)	(0.68)
	p=0.000***	p=0.000***	p=0.000***	p=0.000***
House 4	-3617.22	-3620.55	-3423.19	0.60
	(1240.39)	(1240.34)	(1262.32)	(0.15)
	p=0.004**	p=0.004**	p=0.007**	p=0.036*
Age (ref. < 40)				
40–59		-3339.57	-3546.81	
		(1516.51)	(1548.74)	
		p=0.028*	p=0.022*	
60+		-1472.03	277.51	
		(1678.94)	(1769.85)	
		p=0.381	p=0.875	
Male		-364.65	-552.73	
		(1295.04)	(1340.85)	
		p=0.778	p=0.680	

	Model 1	Model 2	Model 3	Model 4
Degree+		861.43	-310.49	
		(1424.33)	(1454.02)	
		p=0.545	p=0.831	
Social Grade ABC1		3682.25	1107.76	
		(1370.29)	(1469.53)	
		p=0.007**	p=0.451	
Income (ref. < 40k)				
40–69k			4620.67	
			(1602.66)	
			p=0.004**	
> 69k			9892.34	
			(1800.25)	
			p=0.000***	
_cons	936.61	351.67	-3140.66	0.18
	(5834.87)	(5942.14)	(6073.19)	(0.38)
	p=0.872	p=0.953	p=0.605	p=0.418
N	3197	3197	2907	2397

Note: DV = Dependent variable. Models 1–3 are multilevel linear regression and Model 4 is a multilevel logistic regression. B = coefficient, OR = odds ratio, SE = standard error, p = p value. To ensure the accuracy of the numerical integration we varied the number of quadrature points until we reached stability of coefficients and log likelihood at 30–60 points. We ran the final model reported in the table with 60. We also checked the results including the control condition and the findings are the same.

Immediately after completing the auction tasks, all participants were asked how much they tried to buy the houses (1–7; M = 4.96, SD = 1.52) and how realistic it felt when they were bidding (1–7; M = 4.89, SD = 1.70). The majority of participants gave a rating above midpoint of the scale for how much they were trying (85%) and how realistic they found it (80%). In addition, the majority chose to drop out of the estate agent auction condition (81.6%) and the online platform condition (78.1%) suggesting they made an active decision about when to stop, as they would in a real bidding situation.

3.2   SURVEY

3.2.1   Housing market history

Table 3.1 presents the experience of the sample in the housing market. A majority of the sample had purchased a house in Ireland, while just a fifth had sold one (Table 3.2). A greater share intends to buy in future than intend to sell (Table 3.3).

**TABLE 3.2**   **HOUSING MARKET EXPERIENCE OF SAMPLE**

	N	%
Bought in Ireland	476	59.5
Bought elsewhere	33	4.1
Sold in Ireland	165	20.6
Sold elsewhere	29	3.6
Bought and sold in Ireland	155	19.4
Neither bought nor sold anywhere	303	37.9

TABLE 3.3   **FUTURE HOUSING MARKET PLANS**

	Buy (%)	Sell (%)
No plans	39.4	51.8
May at some point	43.4	43.1
Planning to soon	12.4	3.6
Actively attempting to do so	4.4	1.5

3.2.2   Knowledge of rights and responsibilities

The mean number of correct answers in the knowledge quiz was just 3.33 (SD = 1.9) out of seven, indicating a low level of comprehension across the sample. There was meaningful variation across individual items. While over two in three participants knew that it is illegal for a seller to accept multiple deposits for the same property, just one in five knew that agents can legally continue to market a property that is 'sale agreed' and fewer than one in two knew that a buyer can pull out of a sale without penalty before contracts are signed (see Figure 3.1). Responses of participants who have never bought or sold, but who say they may do at some point in the future, are planning to soon or are actively attempting to do so are also shown in Figure 3.1 as these represent a particularly vulnerable group if they are about to enter a market without full comprehension of it. Figure 3.1 shows that a lower percentage of this subgroup answered the questions correctly compared to the full sample. For full wording of each question, see the Appendix.

FIGURE 3.1   PERCENTAGE ANSWERING KNOWLEDGE QUESTIONS CORRECTLY
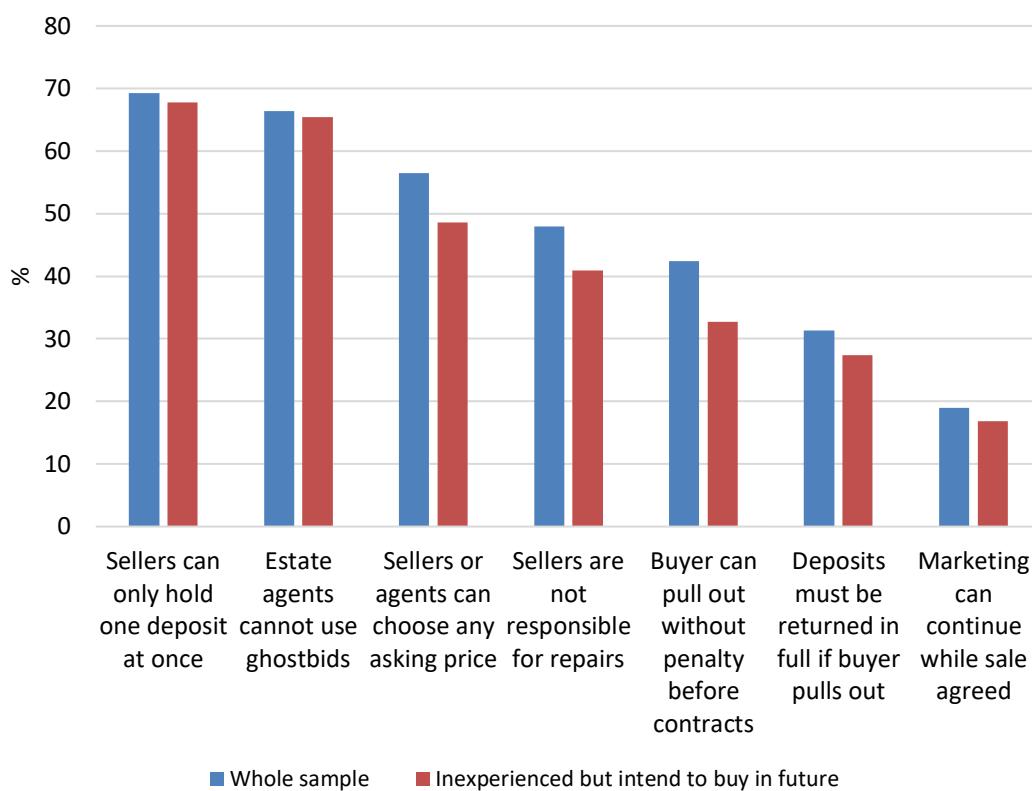
Note: Whole sample includes all 800 participants. Those who are inexperienced but intend to buy in future include those who have never bought or sold but who intend to buy at some point in the future (N = 208).

To understand determinants of comprehension, we ran an ordinal logistic model regressing knowledge on experience (past buyer/seller vs. not) with socio-demographic controls. Table 3.4 shows that those with experience in the market, those aged 40–59, those with a higher social grade and a higher income bracket have better comprehension. However, when we ran an additional exploratory analysis looking at predictors of correct responses to each question, we found that those who are experienced were only more likely to answer correctly on two specific questions: whether buyers can pull out before contracts and whether sellers can choose any asking price (Table 3.5). Responses to other questions were no different between those with and without experience, suggesting a generally low level of comprehension of the system.

TABLE 3.4   ORDINAL LOGISTIC REGRESSION SHOWING EFFECT OF SOCIO-DEMOGRAPHICS ON KNOWLEDGE OF RIGHTS AND RESPONSIBILITIES

	Knowledge
	B(SE)
Experienced in market	0.40 (0.15)
	p=0.009**
Male	0.04 (0.14)
	p=0.758
Age (ref < 40)	
40–59	0.62(0.16)
	p=0.000***
60+	0.44 (0.21)
	p=0.032*
Degree+	0.27 (0.15)
	p=0.070
Employed	-0.41 (0.17)
	p=0.018*
Social Grade ABC1	0.30 (0.15)
	p=0.043*
Income (ref < €40k)	
€40–69k	0.16 (0.17)
	p=0.340
> €69k	0.63 (0.20)
	p=0.001***
N	727

Note: b = log odds coefficient, se = standard error. N = 727 because some did not answer the income question.

TABLE 3.5   LOGISTIC REGRESSIONS SHOWING EFFECTS OF SOCIO-DEMOGRAPHIC CHARACTERISTICS AND EXPERIENCE ON KNOWLEDGE OF RIGHTS AND RESPONSIBILITIES (INDIVIDUAL QUESTIONS)

|	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Sellers not responsible for repairs	Estate agents cannot use ghost bids	Marketing can continue while sale agreed	Buyer can pull out without penalty before contracts	Sellers can choose any asking price	Deposits must be returned if buyer pulls out	Sellers can only hold one deposit at once
	OR(SE)	OR(SE)	OR(SE)	OR(SE)	OR(SE)	OR(SE)	OR(SE)
Experienced in market	1.34	1.11	1.02	1.54	1.66	1.15	0.95
	(0.20)	(0.23)	(0.27)	(0.29)	(0.22)	(0.18)	(0.20)
	p=0.095	p=0.580	p=0.912	p=0.016*	p=0.004**	p=0.470	p=0.800
Male	0.73	0.92	1.51	1.21	1.50	1.04	0.68
	(0.12)	(0.15)	(0.30)	(0.19)	(0.24)	(0.17)	(0.12)
	p=0.050	p=0.596	p=0.037*	p=0.231	p=0.012*	p=0.833	p=0.025*
Age (ref < 40)							
40–59	1.49	1.71	1.25	1.09	1.52	1.12	1.89
	(0.28)	(0.34)	(0.28)	(0.21)	(0.29)	(0.22)	(0.38)
	p=0.034*	p=0.007**	p=0.325	p=0.645	p=0.028*	p=0.586	p=0.002**
60+	1.41	1.16	0.60	1.33	1.19	1.41	2.41
	(0.34)	(0.29)	(0.19)	(0.32)	(0.29)	(0.36)	(0.64)
	p=0.151	p=0.554	p=0.106	p=0.232	p=0.468	p=0.174	p=0.001**
Degree+	1.12	1.12	1.20	1.03	1.28	0.99	1.66
	(0.19)	(0.20)	(0.25)	(0.18)	(0.23)	(0.18)	(0.32)
	p=0.507	p=0.545	p=0.377	p=0.843	p=0.153	p=0.961	p=0.008**
Employed	0.97	0.63	0.89	0.78	0.72	1.08	0.67
	(0.19)	(0.13)	(0.22)	(0.15)	(0.14)	(0.23)	(0.15)
	p=0.877	p=0.025*	p=0.634	p=0.210	p=0.100	p=0.729	p=0.065
Social Grade ABC1	1.14	1.22	1.20	1.31	1.28	0.99	1.22
	(0.20)	(0.22)	(0.26)	(0.23)	(0.23)	(0.18)	(0.23)
	p=0.437	p=0.279	p=0.413	p=0.125	p=0.160	p=0.967	p=0.286
Income (ref < €40k)							
€40–69k	0.82	1.41	1.01	1.00	1.07	1.14	1.49
	(0.16)	(0.29)	(0.25)	(0.20)	(0.21)	(0.24)	(0.32)
	p=0.320	p=0.089	p=0.962	p=0.990	p=0.721	p=0.526	p=0.063
> €69k	1.62	1.94	1.01	1.27	1.19	1.47	1.73
	(0.37)	(0.47)	(0.29)	(0.29)	(0.28)	(0.35)	(0.43)
	p=0.033*	p=0.006**	p=0.976	p=0.294	p=0.450	p=0.109	p=0.029*
N	727	727	727	727	727	727	727

Note: OR = odds ratios, SE = standard error.

3.2.3 Transactional stressors – expected and experienced

Of the 476 participants who had previously bought a property in Ireland, two in three experienced at least one of the stressors on our list (n = 302). More people buying new builds experienced none of the stressors compared to people buying second-hand homes (45.4% vs. 31.5%). Buyers of second-hand homes experienced on average 1.53 stressors in their last sale (SD = 1.71) compared to buyers of new builds who experienced 0.88 (SD = 1.11). A full breakdown of the prevalence of each stressor can be seen in Figure 3.2. The most commonly experienced stressors are time-related: 34.8 per cent of second-hand buyers experienced a conveyancing that took longer than expected, while 27 per cent of new build buyers experienced a delay in moving into their home for reasons beyond their control. At the other end of the spectrum, just seven of 476 buyers had to pull out of a sale because they could not get the finances together. Perhaps of note in the context of trust in the current system: 14.1 per cent of all buyers said they suspected ghost bidding. Ghost bidding is not legal and there is no way to verify if this is accurate or not, but it is an indication of a lack of trust. Meanwhile, 10.9 per cent of second-hand buyers discovered problems with the property after the sale that they believed the seller should have known about.

Those with no experience of buying or selling (or both) were shown the full list of respective stressors and asked to say out of 100 typical buyers/sellers, how many they thought would experience each stressor when they bought/sold a house in Ireland. Across buying and selling, those who have not yet entered the market expect more stressors than are being experienced in reality (see Figure 3.2 and Figure 3.5). The smallest overestimation pertaining to long conveyancing (8.21 percentage points), and the largest pertaining to buyers spending more on non-purchase costs than expected (31.63 percentage points).

FIGURE 3.2   **PREVALENCE OF EACH TRANSACTIONAL STRESSOR EXPERIENCED BY PREVIOUS BUYERS AND PREVALENCE OF EACH STRESSOR EXPECTED BY THOSE WHO HAVE NOT YET BOUGHT**
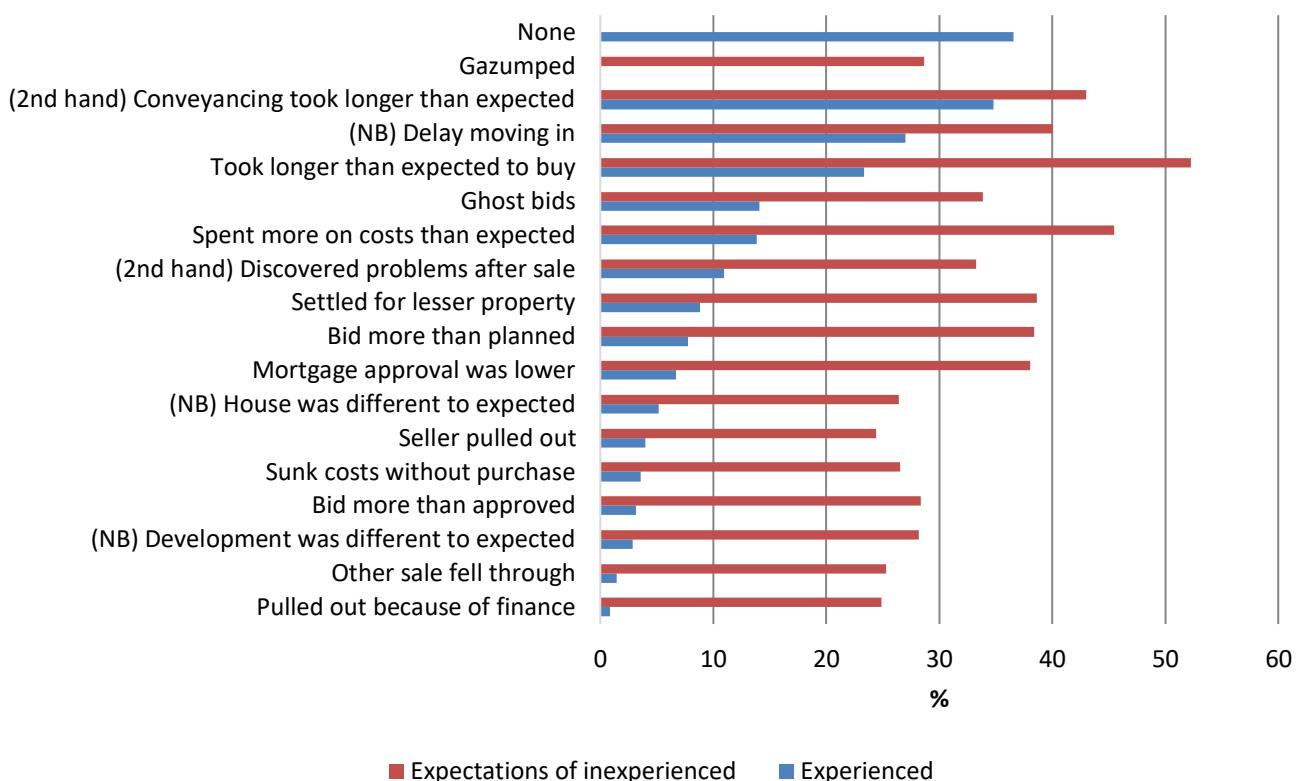

Note: Experienced buyers are those who have bought previously (N = 476) and inexperienced buyers are those who have not (N = 303). Note experienced buyers were not asked whether they had experienced gazumping, as they would not be able to say so definitively.

This suggests that those who have not yet entered the market are more pessimistic about the stressors they would be likely to experience than those who have experience in it. However, buyers who are not yet in the market are likely basing their assumptions on recent observations whereas some of those with experience purchased their homes many years ago. We therefore ran an exploratory analysis to check whether the number of transaction stressors has increased over time. Figure 3.3 shows the number of buyers experiencing any transaction stressor in five-year intervals from 1969 to 2025. It suggests a steady increase in transactional stressors with the highest number being experienced in the past five years. We cannot rule out that this is a memory effect so we also break down the analysis into three eras: before 2020 (before the COVID-19 pandemic), 2020–2022 (during the pandemic when delays may have been greater) and 2023–2025 (see Figure 3.4). This shows an increase in nearly all transactional stressors across this short time period. To verify this trend, we ran a logistic regression to test whether someone had experienced no transactional stressors as the dependent variable (0 = 1 or more, 1 = none) with the year they bought as the independent variable and controls for age, gender, education and social grade. This shows a 4 per cent increase in the chance of experiencing at least one transaction stressor every year that homes were purchased in our sample (Table 3.5). We have

129 people who bought a property in the last five years. Between 2020 and 2022, 81.3 per cent experienced at least one transactional stressor while from 2023–2025, 84.6 per cent did.

FIGURE 3.3   **RATES OF REPORTING EXPERIENCING ANY TRANSACTIONAL STRESSOR BY YEAR OF LAST PURCHASE**
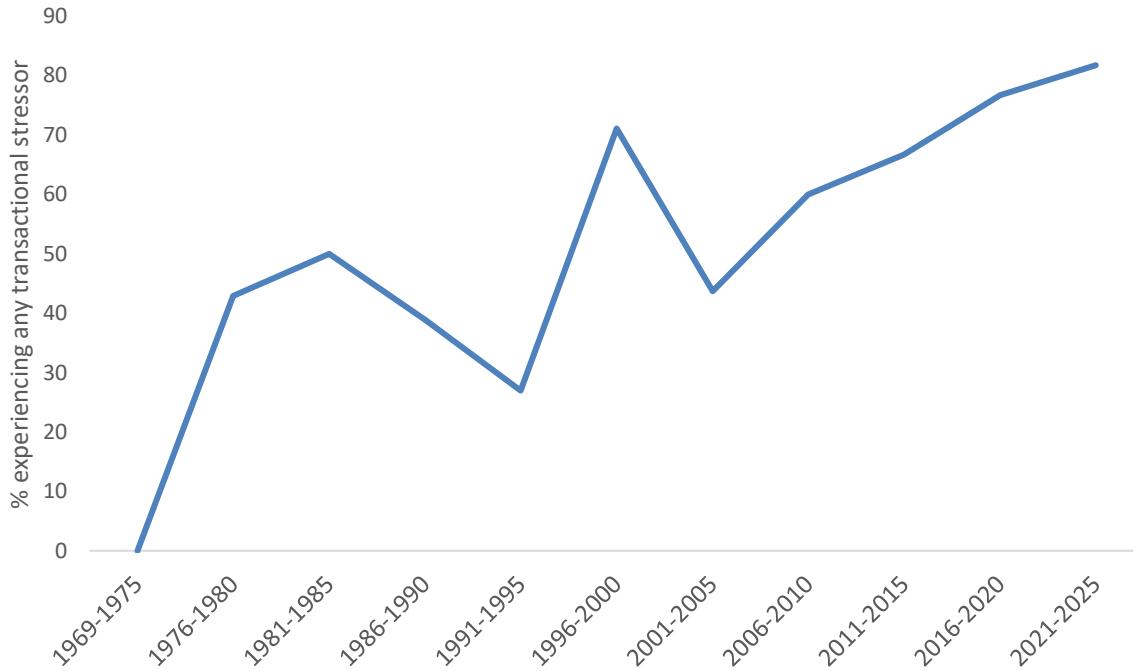
Note: This graph is an illustration of a trend but absolute percentages for each time period should not be interpreted given the small sample sizes in some five-year periods.

FIGURE 3.4 PREVALENCE OF EACH TRANSACTIONAL STRESSOR BEFORE 2020, FROM 2020–2022 AND 2023–2025
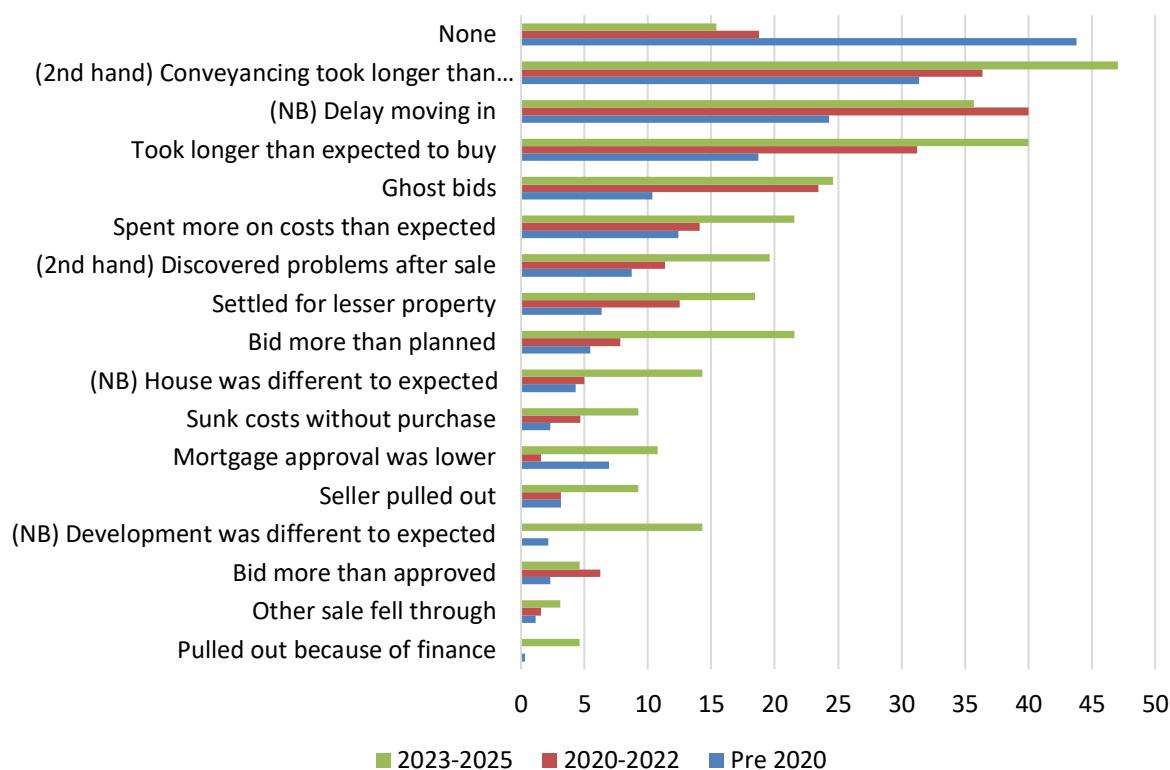
Note: This is the percentage of previous buyers who experienced any of these transactional stressors in their last purchase; 65 participants bought in 2023–2025, 64 in 2020–2022 and the 347 bought before 2020.

TABLE 3.6 LOGISTIC REGRESSION SHOWING LIKELIHOOD OF EXPERIENCING ANY TRANSACTIONAL STRESSOR BY YEAR OF LAST PURCHASE

|	Experienced any stressor
	b/se/p
Year purchased	0.04 (0.01)
	p=0.000***
Male	-0.24 (0.29)
	p=0.252
Age (ref < 40)	
40–59	0.07 (0.29)
	p =.815
60+	-0.15 (0.38)
	p=0.70
Degree+	-0.42 (0.24)
	p=0.07
Employed	0.76 (0.27)
	p=0.004**
Social Grade ABC1	0.33 (0.23)
	p=0.146
N	476

The 165 experienced sellers in the sample reported experiencing fewer stressors than buyers (M = .70, SD = .93; 52.7% experienced none), although the list of stressors shown was much shorter than for buyers (7 vs. 13/14). One in two buyers had experienced at least one stressor. Much like buyers, a longer than expected conveyancing period was the most prevalent stressor, affecting 23.6 per cent. Just more than one in five also sold for a lower than expected price while one in ten had a buyer pull out (see Figure 3.5).

Expectations of seller stressors are lower than buyer stressors, with an average of 24.2 per cent across all seven. A longer than expected conveyancing period is most frequently expected (M = 41%, SD = 30.70), and gazundering the least (17.5%, SD = 19.17).[12] Across six of the seven stressors, expectations were greater than experienced, with an average overestimation of 14.22 percentage points. The one underestimation was for a seller achieving a lower price than expected (4.39 percentage points lower) – this was in fact the second most frequently experienced stressor but had the second lowest estimated prevalence (see Figure 3.5).

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[12] Gazundering refers to a situation where a prospective buyer lowers their offer just before contracts are signed in a bid to have the vendor accept a lower offer rather than restart the process with a new buyer.

FIGURE 3.5   **PREVALENCE OF EACH TRANSACTIONAL STRESSOR EXPERIENCED BY PREVIOUS SELLERS AND PREVALENCE OF EACH STRESSOR EXPECTED BY THOSE WHO HAVE NOT YET SOLD**
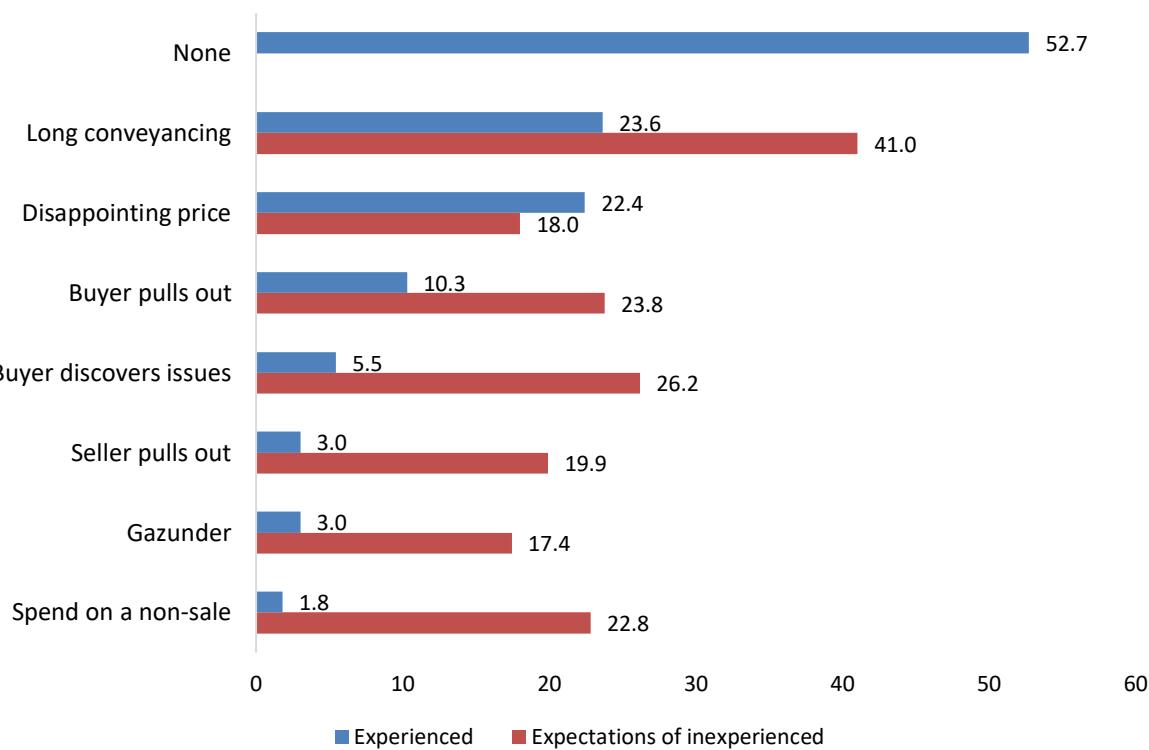
Note: Experienced sellers are those who have sold previously (N = 165) and inexperienced sellers are those who have not (N = 635).

3.2.4   System preferences

Participants were asked to choose three constituent elements of a system for transacting houses that they believed would be most fair to buyers and sellers. The first element chosen was a bidding system, which showed a clear preference for an online visible platform (56%), followed by bidding through an estate agent via phone/email (24.4%) and sealed bidding third (18.8%).[13] The majority preferred that the seller should hold responsibility for doing a condition survey rather than the buyer (63.1% vs. 36.9%). The majority (70.6%) also believed that offers should only become legally binding on signing contracts, rather than immediately (see Figure 3.6). Combining the three choices, the most popular full system consists of bidding via online platform, a seller provided survey, and legal binding on signing of contracts only; this combination was chosen by 27.4 per cent of all respondents. The next most popular, which included the survey being arranged by the buyer, was chosen by 14.6 per cent.

The above results are for the sample as a whole. When we split responses by whether the participant has experience buying or selling, some heterogeneity emerges. There is no difference in preference for bidding system depending on experience (X^2 (3, *N* = 800) = 3.41, *p* = .33). However, those without experience are

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[13] Seven participants chose the 'other' option.

significantly more likely to choose a system with seller responsibility for surveys (73.6% vs. 56.7%) X^2 (1, N = 800) = 22.98, $p < .001$. Inexperienced participants are also more likely to prefer that a sale becomes immediately binding on offer acceptance (34% vs. 26.6%) X^2 (1, N = 800) = 5.01, $p = .025$.

We further examine whether future intentions are associated with heterogeneity in preferences. 315 of the sample of 800 reported no future plans to buy a home. Here we see no statistically significant effect on bidding system X^2 (3, N = 800) = 2.13, $p = .55$, or on survey responsibility X^2 (1, N = 800) = 3.71, $p = .054$. Again, however, we see a significant effect on when bids become binding, with having future plans to buy associated with a greater preference for immediacy (32.4% vs. 24.8%) X^2 (1, N = 800) = 5.33, $p = .021$.

A greater share of the sample reported having no future plans to sell a home in Ireland (414/800), and here we find no effects on preferences for the bidding system (X^2 (3, N = 800) = 3.50, $p = .32$), survey responsibility (X^2 (1, N = 800) = .24, $p = .63$) or binding timing (X^2 (1, N = 800) = .14, $p = .71$).

Finally, participants were asked which of the bidding systems, if any, they thought would be most likely to slow down increasing property prices. The most prevalent system chosen was open offers through a visible, online platform (32%), followed by single blind bids (23.1%), with the current status quo of open offer through estate agents selected the least (19.5%). A full one-quarter of respondents selected 'None of these', suggesting a sizeable minority do not see bid systems as a potential mechanism for slowing price increases.

FIGURE 3.6 **PARTICIPANT PREFERENCES FOR EACH OF THE THREE ELEMENTS OF THE SYSTEM: TYPE OF BIDDING, RESPONSIBILTY FOR CONDITION SURVEY AND WHEN AN OFFER BECOMES LEGALLY BINDING**
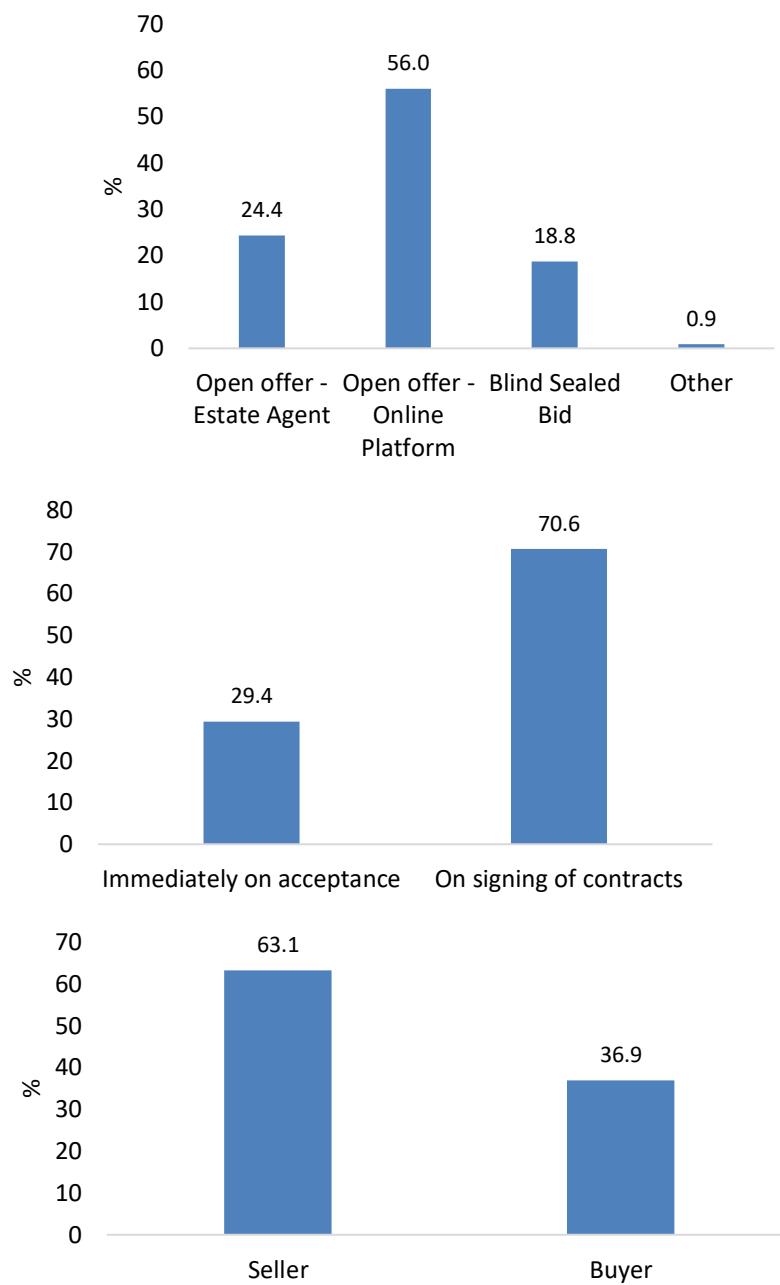
CHAPTER 4

Discussion

Consistent with the prediction, in our experiment, bidding systems that involved open competition led to higher prices. This aligns with behavioural theories on auction fever and loss aversion, which suggest that competitive environments drive individuals to try to beat others and that people feel losses more than equivalent gains (Kahneman and Tversky, 1979; McGee, 2013). Bidding systems may induce loss aversion because an individual is repeatedly losing their place as the top bidder when someone else places a bid. In our experiment, bids under repeated, open auction-style systems were not only higher than those in single sealed-bid systems but also exceeded the budgets that participants had set for themselves. This indicates that individuals may take on more financial risk than intended due to the influence of the bidding system itself.

Despite these behavioural effects, participants expressed a preference for open and transparent platforms, believing them to be fairer and more likely to reduce prices. This may reflect a lack of trust in the current system, where 14 per cent of buyers believe they were subject to ghost bids – non-existent offers used to inflate prices – and one in three of those not yet in the market expect to encounter them. Although ghost bidding is illegal in Ireland (S.I. No. 564/2020 – Property Services (Regulation) Act 2011 (Minimum Standards) Regulations 2020, 2020) and most participants in our sample were aware of this, perceptions of its prevalence remain high. Sealed bidding and making offers legally binding were elements of the system that were preferred only by a minority of the sample (18.8% and 30% respectively) yet arguably are the elements most likely to reduce ghost bidding, if it is occurring. Notably, while online platforms are perceived to be more transparent, they actually led to the highest bids in the experiment, highlighting a disconnect between beliefs and behaviour. This underscores the importance of measuring behaviour and not only considering self-reported preferences.

Our findings also suggest there is a growing number of buyers, and possibly to a lesser degree, sellers experiencing transactional stressors in the market. Some of these include financial pressures such as spending more on costs than expected, bidding more than planned, bidding more than approved or, for sellers, a buyer pulling out. Buyers are sometimes asked to show proof of funds for bids. Should this become widespread it might reduce the number of people bidding more than approved, pulling out of sales due to financial difficulties or ghost bids, if these are happening.

It is not only financial pressures that are apparent in the market, however, but also procedural challenges such as delays in conveyancing. Such delays could lead to suboptimal decisions, particularly when individuals have already invested time and money in the process. Behavioural biases like the sunk cost fallacy may cause buyers to proceed with problematic purchases simply to avoid losing what they

perceive as already theirs. Improving the speed and efficiency of conveyancing is likely to help avoid this. A recent report on experiences with conveyancing notes that delays during conveyancing often stem from issues that could have been identified earlier in the process, such as probate or problems with deeds (Competition and Consumer Protection Commission (CCPC), 2025). One recommendation in CCPC's report is to implement legislation that prevents properties from going to market without details such as tax, probate and deeds being available. A second report found that conveyancing remains a paper-based system and digitalising it could improve speed and efficiency (Legal Services Regulatory Authority, 2024).

Knowledge gaps further compound these issues. Despite experience with property transactions, participants demonstrated poor understanding of rights and responsibilities. For example, fewer than one in three know that buyers can withdraw before contracts are signed and reclaim their deposit. Misunderstandings about responsibility for repairs and deposit rules may lead to inflated bids or unnecessary risk-taking. These findings suggest that targeted, timely information – such as standardised guidance provided when someone makes a booking deposit – could help mitigate confusion and improve decision-making.

Preferences for seller-led surveys also emerged with most participants viewing the current buyer-led system as less fair than a seller-led one. Changing to a seller-led survey means that people would know the state of a property before they engaged in bidding. This could reduce situations in which sunk cost bias or emotional ties to properties which people have bid on cause them to accept flaws they might not have known existed before bidding. It might also affect the number of bidders and bid levels. However, there may also be unintended consequences. Seller-led surveys may lead to duplication of surveys if buyers also want to commission their own. As our bidding experiment shows, stated preferences do not always translate into expected behaviour. If changes to survey responsibilities are to be considered, it would be useful to undertake further research to determine how behaviour might change as a result. Additionally, we asked participants about their preferences for the system without giving any context such as a proposed policy change or a motivation for it. It should not therefore be taken as a measure of support (or lack thereof) for any policies.

There are some limitations to this research. Our experiment was hypothetical, necessarily so, which means that real-world behaviour could differ. We purposely omitted mention of factors such as location to make the task equal for all participants. Of course, location is an important consideration in any purchasing decision. However, responses suggest that participants engaged seriously with the task. Many stopped bidding after reaching their ideal budget, and the relative differences between bidding systems were consistent with prior literature and our pre-registered hypotheses. This lends confidence to the validity of findings, even if absolute bid amounts may differ in real-world settings. There may also be differences in real-world bids in which someone could repeatedly experience being

outbid in any of these systems. We cannot extrapolate what effects this may have on their subsequent behaviour or whether it would differ between systems. Regarding transactional stressors, we acknowledge the possibility that individuals who have recently bought or sold a home may recall these stressors more vividly than those whose transactions occurred decades ago. This raises the question of whether the observed increase in reported stressors over time could be partially attributed to memory effects. To explore this, we examined differences among sellers who purchased within the past five years and found that those who bought in the last two years reported more stressors than those who bought four or five years ago. Given that buying a home is a highly salient experience, it seems unlikely that memory would fade significantly over such a short timeframe. Moreover, our findings align with other research indicating that conveyancing delays, our most common transactional stressor, are an increasingly common problem (CCPC, 2025). If we assume that buyers who have purchased in the past three years will have the most accurate recollection of the process, then our most accurate estimate is that 84 per cent of buyers in the market today are experiencing at least one transactional stressor. This includes nearly one in two experiencing a longer conveyancing process than expected and one in five bidding more than planned.

We also had a smaller sample of participants from Dublin when compared to census data. During data collection, quotas were monitored by province rather than city so this was not found at the time. We do not know why we inadvertently sampled fewer people living in Dublin than would be expected and therefore need to consider the results in that context. The sampling is unlikely to have affected the results of the experiment given the within-person design and randomisation. We made no mention of location in the instructions. We included region in the model and see, as might be expected, that people in Dublin gave higher bids overall than people in other regions, but it did not change the main effects of bidding system on bids. It is possible that the sample may have affected some of the absolute percentages we report if, for example, people from Dublin are more or less likely to experience stressors or have more or less knowledge. To check this, we ran sensitivity checks on all regression analyses (Tables 3.4–3.6) by adding region in as a covariate. This did not change any of the findings.

Taken together, these findings suggest that Ireland's housing market presents a complex mix of behavioural, informational and procedural challenges. There are many challenges associated with Ireland's housing market, including significant problems with supply and demand that likely increase prices and exacerbate stress for those in the market. This report could not cover these larger issues, but instead considered how buyers and sellers interact with the system as it is now and historically. In short, buyers and sellers are navigating systems that they do not fully understand, often under stress and with limited trust. Improving transparency, streamlining conveyancing and providing timely information could help reduce transactional stressors and support better decision-making. Consideration should also be given to the bidding systems, which our results suggest are likely to play a role in pushing up prices. In a high-stakes environment

like housing, understanding how all aspects of the current system influence behavioural dynamics should help to inform changes that make the system easier and fairer for those engaging in it.

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APPENDIX

Full questionnaire

QUOTA QUESTIONS

(Used both for recruitment screening and in subsequent analysis)

Q. What is your gender?

- ➢ Female
- ➢ Male
- ➢ Non-binary
- ➢ Prefer not to say

Q. Which age group do you belong to?

- ➢ Under 40 years old
- ➢ 40–59 years old
- ➢ 60 years old or above

Q. What region do you live in?

- ➢ Dublin
- ➢ Rest of Leinster
- ➢ Munster
- ➢ Connacht or Ulster

Q. Please indicate to which occupational group the Chief Income Earner in your household belongs, or which group fits best. If the Chief Income Earner is retired, or is not in paid employment but has been out of work for less than six months, please answer for their most recent occupation. [*soc_grade*]

- ➢ Higher managerial / professional / administrative (e.g. doctor, board director)
- ➢ Intermediate manager / professional / administrative (e.g. newly qualified solicitor, middle manager)
- ➢ Supervisory or clerical / junior managerial / professional / administrative (e.g. office worker, salesperson) or student
- ➢ Skilled manual worker (e.g. bricklayer, bus or ambulance driver, pub/bar worker)
- ➢ Semi-skilled or unskilled manual work (e.g. manual worker, apprentice, shop assistant)
- ➢ Casual worker (not in permanent employment) or unemployed for the last six months or more or full-time carer
- ➢ Farmer / agricultural worker
- ➢ Unsure

INFO SHEET + CONSENT

Please read the following information carefully

Many thanks for participating in this research. This information page explains what to expect.

Who is conducting the study?

We are the Behavioural Research Unit at the Economic and Social Research Institute (ESRI). We are funded by public bodies interested in helping to understand how people make decisions.

What is the study about?

This study is about the housing market in Ireland. We are interested in what you think about how houses are bought and sold.

What is expected of me?

We will first ask you to confirm that you are willing to participate. You will then be asked about your own experiences of the housing market and some questions about the housing market in Ireland. You will also be asked to imagine buying a house.

Is there any reason I can't take part?

You must be 18 years or over.

What do I need to do?

We would like you to answer all questions honestly. In instances where you do not know something or cannot remember, please write this. For the home purchasing task, we would like you to behave exactly as you would in the real world.

Please complete this study in one sitting.

If you have difficulty loading any page, please refresh your browser – the programme will save your progress as you complete the study.

How will my responses be recorded?

All of your answers will remain confidential. They will not be stored with your name. Instead, we store them against a number (your 'Private ID'). We have a file that matches this Private ID to your RED C account, so that we can pay you. As soon as everyone has taken part and been paid, we delete the file that links your Private ID to your RED C account. So all responses are kept anonymous.

The responses will initially be held on the survey company's Microsoft servers in Dublin, then transferred to secure files on computers in the ESRI. Once all responses have been made anonymous they will be put up online for other researchers to study, in line with best scientific practice.

Data Protection

This study is carried out in accordance with Data Protection legislation. If you have any queries in relation to this, please contact DataProtection@esri.ie.

BEHAVIOURAL RESEARCH UNIT PARTICIPANT CONSENT FORM

Please read the below information carefully.

• I have read and understand the information on the previous pages, which explains the nature of the study I am to undertake.

• I confirm that I am aged 18 or over.

• I understand that the aim of the research is to understand decisions people make about things like buying and selling a house and their perceptions of the related processes.

• I understand that I will be presented with a series of tasks through my browser and that my responses will initially be recorded and stored on the survey company's Microsoft servers in Dublin, Ireland. I understand that, once all data has been collected, my responses will subsequently be deleted from those servers and stored on ESRI computers only.

• I understand that the study data will be stored against a private ID which is unique to this study and cannot be used to identify me.

• I understand that the data will be available to researchers and will only be used for research purposes. I understand that my anonymous responses may be made available in online data repositories for research purposes.

• I understand that I may withdraw participation at any point during the study by exiting the web browser, and that no data will be stored unless I complete the study in full.

• I understand that once I complete the study in full I will not be able to withdraw my data (as this data will be completely anonymised and so cannot be linked to me).

I have read and understood the above and I consent to taking part as a participant in this study.

HOUSING MARKET EXPERIENCE / FUTURE PLANS

Q. Which of the below best describes you? Select all that apply.

➢ I have bought a residential property in Ireland

➢ I have sold a residential property in Ireland

➢ I have bought a residential property somewhere other than Ireland (please specify)

➢ I have sold a residential property somewhere other than Ireland (please specify)

➢ I have never bought or sold a residential property in Ireland or elsewhere

[*buy_sell*]

Q. (If bought in Ireland) Do you think you will buy another residential property in Ireland in the future? This might be a second property or selling your current home and buying a new place / (If not bought in Ireland) You said you have never bought a residential property in Ireland. Do you think you will buy a residential property in Ireland in the future?

➢ No – I have no plans to buy (another) / (a) residential property in Ireland

➢ Yes – At some time in my life, I may buy (another) / (a) residential property in Ireland

➢ Yes – I am planning to look for (another) / (a) residential property in Ireland soon (for example, saving for a deposit, doing some research or looking at finance)

➢ Yes – I am actively attempting to buy (another) / (a) residential property in Ireland (for example, going to viewings or bidding on properties)

[*future_buy*]

Q. (If sold in Ireland) Do you think you will sell another residential property in Ireland in the future? / (If not sold in Ireland) You said you have never sold a residential property in Ireland. Do you think you will sell a residential property in Ireland in the future?

➢ No – I have no plans to sell (another) / (a) residential property in Ireland

➢ Yes – At some time in my life, I may sell (another) / (a) residential property in Ireland

➢ Yes – I am planning to sell (another) / (a) residential property in Ireland soon (for example, doing some research or getting valuations)

➢ Yes – I am actively attempting to sell (another) / (a) residential property in Ireland (for example, putting property on the market or taking viewings)

[*future_sell*]

(If bought in Ireland)

Q. How many residential properties have you bought in Ireland?

[*numberbuyIreland*]

Dropdown: 1–5+

Q. When did you last buy a residential property in Ireland? [*whenbuyIreland*]

Dropdown: 2025–1960 or earlier

Q. Have you ever bought a second-hand residential property in Ireland?

[*bought2ndhandIreland*]

➢ Yes

➢ No

Q. Have you ever bought a new build residential property in Ireland?

[*boughtnewIreland*]

> ➢ Yes

> ➢ No

(If sold in Ireland)

Q. How many residential properties have you sold in Ireland? [*numbersellIreland*]

Dropdown: 1–5+

Q. When did you last sell a residential property in Ireland? [*whensellIreland]*

Dropdown: 2025–1960 or earlier

(If bought outside of Ireland)

Q. How many residential properties have you bought outside of Ireland?

[*numberbuyabroad*]

Dropdown: 1–5+

Q. When did you last buy a residential property outside of Ireland?

[*whenbuyabroad*]

Dropdown: 2025–1960 or earlier

(If sold outside of Ireland)

Q. How many residential properties have you sold outside of Ireland?

[*numbersellabroad*]

Dropdown: 1–5+

Q. When did you last sell a residential property outside of Ireland?

[*whensellabroad*]

Dropdown: 2025–1960 or earlier

DIFFERENT BIDDING SYSTEMS EXPERIMENT

This part of the study is about how people think about prices when buying a house.

At some points, you will see descriptions of different houses alongside the asking price. We would like you to use this information to make judgements. Unlike typical house listings, there are no photos – please base your judgement only on the description of the house.

(Participants randomised to do a control house task either before or after the three auction types. The below assumes they are randomised to do it first.)

This next question will ask you to imagine **a friend or family member** is buying a house.

Imagine that a friend or family member is buying a house. We have described the house below and want you to tell us how much you think they should bid for it.

[random estate agent logo]

Asking price: €[random price from asking array]

House description: [random description from set of house description]

Q. What would you say is the **absolute maximum** they should bid for it? Please write it in the box below.

Note: you only need to fill in the first three numbers.

€___,000. *[controlBid]*

Now we want you to imagine that **you** want to buy a house. You have saved up enough money to buy a house in the area you want to live in.

After scraping everything together, you work out that after paying for legal fees, stamp duty and the valuation fee, **the maximum amount you can spend on the house is €**[absolute budget: highest asking price * 1.1].

Take a minute to think about what your ideal house looks like:

Where is it?

What kind of a layout does it have?

Does it have a garden, a yard or just indoor space?

Q. In the box below, please briefly describe this house.

We are now are going to ask you to try to buy an imaginary house that has an asking price in the range of what you can afford. You must decide how much to offer.

In the real world, people sometimes set an 'ideal budget', which is the most they would like to spend when trying to buy a house. This is different for everyone.

Think now about what your 'ideal budget' would be if you had **a maximum budget of €**[absolute budget] to spend on a house. Take a moment to think about it. It is an important, personal decision. There is no right or wrong answer. No one else will know what you write. You don't even have to stick to it when you bid on houses. In the real world, people sometimes stick to what they intended to spend but sometimes they spend more than they thought they would and sometimes less.

Please fill in the box below.

Note: you only need to fill in the first three numbers.

Q. If I had my way, I would spend no more than €___,000 from my total budget of €[absolute budget] on a house that I liked and wanted to live in.

[*idealbudget*]

We are now going to show you some houses and ask you to try to buy them.

Estate agents work differently to each other so please read their instructions before bidding.

Think about how you would behave if this was the real world and you were really trying to buy these houses. **Other people may be bidding** on the same house and they may have more or less money than you, just as in the real world.

We will ask you to try to buy three houses. Treat each one as a separate purchase.

It's entirely up to you how much of your total budget you are willing to bid, when to drop out of the bidding, and so on.

There is no right or wrong answer, it is up to you. We are interested in what you would do if you were actually trying to buy these houses.

We will now show you three houses.

(Participants see three auction types in random order – this assumes sealed bid first)

House 1

[random estate agent logo]

Asking Price: [random asking price from array]

House description: [random description]

Your maximum budget is: €[absolute budget]

Please imagine that you want to buy this house. You can decide how much to bid.

Instructions: The estate agent selling this house is taking **one sealed bid from everyone**. This means that everybody only puts in one bid. Nobody knows what other people have offered.

Take a moment to think and then enter your bid in the box below.

Note: you only need to fill in the first three numbers.

Enter your bid: €____,000. [*sealedBid*]

Thank you. You are now finished bidding on this house. Press continue to see the next house.

(Estate agent open offers auction)

House 2

[random estate agent logo]

Asking Price: [random asking price from array]

House description: [random description]

Your maximum budget is: €[absolute budget]

Please imagine that you want to buy this house. You can decide how much to bid.

Instructions: The estate agent selling this house is taking bids **directly**. They will communicate any bids to you when they come in and you will be able to bid again. **You are the first bidder**.

Take a moment to think and then enter your bid in the box below.

Note: you only need to fill in the first three numbers.

Enter your bid: €____,000.

[*highest final bid = eaBid*]

…

Thank you, the estate agent has received your bid and will pass this to the seller. Please wait. They will contact you soon with a response or any other bids.

☎   Hi, it's the estate agent on the phone. We have had some other interest in the house and the highest offer is now €[random increment 1–4,000 above user bid]. If you would like to put in a new offer, please let me know by entering it in the box below.

Thank you. You are now finished bidding on this house. Press continue to see the next house.

(Online portal open offers auction)

House 3

[random estate agent logo]

Asking Price: [random asking price from array]

House description: [random description]

Your maximum budget is: €[absolute budget]

Please imagine that you want to buy this house. You can decide how much to bid.

Instructions: The estate agent selling this house is taking bids using an **online system**. The system will automatically alert you when another bidder has put in a bid and you will be able to bid again.

All bids will be displayed below.

You are the first bidder.

Take a moment to think and then enter your bid in the box below.

Note: you only need to fill in the first three numbers.

Enter your bid: €____,000.

[*highest final bid = openBid*]

(Box titled 'Current Bids' displaying full bid history in reverse chronological order – newest/highest on top with user/competitors and bid amounts.)

Thank you. Your bid of €____ has been received. Please wait for further updates.

🖱 New bid from Bidder 557628: €____

Thank you. You are now finished bidding on houses. Please press continue.

Q. How much did you try to buy these houses?

Not at all 1–7 A lot [*trybuy*]

Q. How realistic did it feel when you were bidding?

Not at all realistic 1–7 Extremely realistic [*realistic*]

Q. If you experienced any issues with any of the systems for purchasing homes, please let us know below.

(If ever bought a home) Please think back to when you were last trying to purchase a home. Think about all of the houses you bid on, even if you did not end up buying them.

Q. Before you started bidding on houses, did you have an ideal budget in mind, even if you did not end up sticking to it?

  ➢ Yes – I had an ideal budget that was less than the maximum amount I could spend

  ➢ Yes – my ideal budget was the maximum I could spend

  ➢ No

  ➢ Don't remember

[*idealbefore*]

(If yes) Q. What kinds of things did you think about when deciding what your ideal budget should be?

[*idealfactors*]

(If yes) Q. When you purchased a home, did you buy it for more, less or exactly your ideal budget?

  ➢ I bought it for more than my ideal budget

  ➢ I bought it for less than my ideal budget

  ➢ I bought it at exactly my ideal budget

  ➢ Don't remember

[*buyforidealbudget*]

UNDERSTANDING OF RIGHTS AND RESPONSIBILITIES

In the next section, we are going to give you some scenarios and ask you questions about them. The questions are not easy, but please try your best. Every correct answer will win an extra ticket to a raffle for €100.

If you do not know the answer, just give us your best guess.

(Order of questions and of responses in each question randomised)

John is selling his five-year-old home. It is in really good condition, except the upstairs roof leaks on very rainy days when the wind blows a certain direction – something John has known about for some time but has decided not to fix. He tells the estate agent about the roof but decides they will not tell any bidders or prospective buyers, as it rarely presents a problem. The property receives a lot of interest, and eventually sells to Jessica and her husband, David, who opt against a survey, given the age and condition of the house. Not long after they move in, Jessica and David discover the issue and are quoted a very large amount to have it fixed. It is clear then that the issue is not new.

Q. Who is **legally** responsible for the costs of fixing the roof?

 ➢ John and the new owners jointly: John in part for not disclosing the issue, and the new owners in part for not conducting a survey

 ➢ The new owners only: they are responsible for making themselves aware of the condition of the property they are buying

 ➢ John only: he is responsible for making prospective buyers aware of any known issues

 ➢ The estate agent only: they are responsible for making prospective buyers aware of any known issues [*RR1*]

Mary is an estate agent selling a home for Brendan. The house is highly desirable and a bidding war has taken place. Eventually, one of the two remaining bidders dropped out, leaving just one – James. However, Mary feels James might have some budget remaining and could be encouraged to spend more, if only he could face some competition. Mary phones James and tells him that the other bidders have bid higher again, although in fact she hasn't received another bid from them. She tells James that the owner will be happy to close the deal with him if he submits one final bid, €5,000 more than his previous one.

Q. Is Mary breaking the law?

 ➢ Yes

 ➢ No, so long as Mary only speaks to James about this fake bid over the phone, not in writing

 ➢ No, so long as James doesn't actually raise his offer; if he refuses, Mary can go back to him and say the other buyer pulled out

 ➢ No, so long as Mary has written consent from Brendan, whom she is representing [*RR2*]

Darragh is an estate agent selling on behalf of Luke. After a fairly typical run of bids, Luke is happy to accept an offer from Claire and Paul, and the apartment goes 'sale agreed'. This begins a legal process (conveyancing) which typically lasts four to six weeks. While this is happening, Darragh feels that there could be some additional interest in the property, especially from buyers with some more money. He

therefore continues marketing the property and seeking offers.

Q. Under what circumstances is this legal?

- ➢ This is legal in all circumstances

- ➢ Only if Darragh's advertisements make it clear that the property is sale agreed

- ➢ Only if the conveyancing has gone on for too long (more than eight weeks)

- ➢ Only if Darragh gets written permissions from Luke, whom he is representing [*RR3*]

Paul is looking for a house to purchase and has mortgage approval for €270,000 – the maximum amount he can borrow – and savings of €30,000 for a deposit. He eventually comes across his dream home. The asking price is €295,000, but upon enquiry, Paul finds out the current highest bid is €312,000. Paul is in love with the house and decides to call the estate agent and offer €315,000. He feels he must have this house, and figures he will find a way to make up the difference, perhaps by reapplying for a higher mortgage, or by borrowing from family. The estate agent does not ask Paul for proof of funds for the bid, and the seller accepts. However, it eventually turns out that Paul cannot make up the shortfall, and says he has no choice but to pull out of the sale. In the meantime, the previous highest bidder, highly disappointed, has moved on and settled for a home less suited to them.

Q. Which one of the following is true of this situation?

- ➢ Paul may pull out of the sale but must pay for any costs incurred by the seller in the sale (advertising, fees, etc.)

- ➢ Paul must go through with the sale, paying €300,000, with the estate agent responsible for the €15,000 difference because they did not ask for proof of funds

- ➢ Paul may pull out of the sale and neither he, nor the estate agent must pay any damages

- ➢ Paul may pull out of the sale without penalty, but the estate agent will be required to pay damages to the previous highest bidder because they did not ask Paul for proof of funds [*RR4*]

Ruth is selling her home that has been professionally valued at €300,000. She would like a bidding war so she gets as high a price as possible. She speaks to her agent, who suggests that they set the asking price unrealistically low at €240,000. This is much lower than the house has been valued at and would likely sell for. The low asking price, he says, will entice a lot more interested bidders, which will eventually result in a large bidding war and drive the final selling price above its value.

Q. Under what circumstances is this legal?

- ➢ This is never legal – asking prices cannot be set more than 10% below a property's value

- ➢ This is legal under any circumstances – sellers or agents can set asking prices as high or as low as they want if they feel it will achieve the highest price
- ➢ This is only legal if it results in a final sale price that is less than 10% above the property's value
- ➢ This is only legal if it is made clear to bidders what the house has been professionally valued at [*RR5*]

Megan is selling her house and has accepted a strong offer from Seán and his wife, Ciara. The booking deposit was paid promptly, and both parties scheduled a date to have conveyancing finalised and contracts signed, legally completing the sale. In the meantime, market conditions worsened, with house prices continuously falling. One week before the scheduled contract signing, Megan was notified that Seán and Ciara would be withdrawing their offer and were requesting their deposit be repaid, meaning Megan will now have to restart the whole selling process again.

Q. Which one of the following is true of this situation?

- ➢ Megan must return the deposit in full
- ➢ Megan must return the deposit, less any money she spent on the sale (advertising, fees, etc.)
- ➢ Seán and Ciara, having had an offer to purchase Megan's home accepted, must continue with the sale
- ➢ Seán and Ciara can withdraw from the sale but Megan can keep the full booking deposit [*RR6*]

Molly is selling her house and has employed Daniel as her agent. The market is poor for sellers and to date, she has had three sales fall through. To minimise the chances of this occurring again, she and Daniel decide to accept offers from two separate bidders at the same time. They will both pay a deposit as normal, and whoever moves quickest, or does not drop out, will be sold the house. The other bidder, if they do not drop out, will simply be returned their deposit, and neither bidder will be made aware of the other's offer having been accepted.

Q. Under what circumstances is this illegal?

- ➢ This is illegal under any circumstances – only one deposit can be held for a property at any one time
- ➢ This is only illegal if the buyers are encouraged to bid more after acceptance
- ➢ This is only illegal if the sellers cannot prove that buyers have pulled out before
- ➢ This is only illegal if there are delays in repaying the deposit to the party who does not buy the property [*RR7*]

Thank you. We will now move onto the next section which is about [Wording depends on user profile – if bought and sold before: 'your own experiences'; if bought or sold only: 'your own experiences and perceptions'; if neither: 'your own perceptions'].

PERCEPTIONS/EXPERIENCES OF HARMS FOR BUYERS AND SELLERS

(If participants have experienced the action – buying or selling – they are asked to select from the lists which if any of the following happened to them the last time they bought/sold a house in Ireland. For the action(s) they don't have experience in, they are asked 'Out of every 100 [buyers/sellers], how many do you think:' with dropdowns from 0–100 for each. Order of items is randomised.)

(If previously bought in Ireland)

We are interested in your experience of buying a property in Ireland. Think about the last time you bought a property in Ireland.

Q. Thinking about the last property you bought in Ireland, was it:

➢ A home for you to live in

➢ A rental property

➢ Another type of property (please specify)

[*lastbuytype*]

Q. Thinking about the last property you bought in Ireland, was it:

➢ A second-hand home

➢ A new build

[*lastbuytype2*]

Did any of these happen to you during the period when you bought this property, including while you were looking at or bidding on houses other than the one you bought? Please think carefully back to that time and select all that happened.

[List of harms + 'None of the above'. If the last house purchased was a new build, they saw the three new build purchase specific harms, and not the two second-hand specific harms, and vice versa.]

(OR – People who have never bought in Ireland)

We are interested in your perceptions of what it may be like to buy a property in Ireland.

Below is a list of things that may or may not occur when someone buys a property. For each, we would like you to say how likely you think it is that this would happen to the typical buyer.

Q. Out of every 100 buyers, how many do you think:

[List of harms – random order.]

(The wording shown is that which was show to those with no experience. For those with experience, the wording was adjusted along the lines of 'I bid more for a property than the maximum amount…'.)

a. Bid more for a property than the maximum amount they have originally decided on (whether they purchased it or not)

b. Bid more for a property than they have mortgage approval for at the time

c. Are told by an estate agent that there is another bid on a property that they suspect is not real (sometimes called a 'ghost bid')

d. Go 'sale agreed' on a property only for the seller/agent to pull out later, causing the sale to fall through

e. Go 'sale agreed' on a property, only for the seller/agent to accept a higher offer from someone else (sometimes called 'gazumping') [only asked of those with no buying experience]

f. Decide at the start of their search on 'must-have' feature/features for a property, but end up settling for a property that does not meet the criteria

g. Have to pull out of a purchase after going 'sale agreed' because the sale of their other property falls through

h. Have to pull out of a purchase after going 'sale agreed' because they can't get the finances together

i. Get mortgage approval for less than they had expected or planned

j. Spend more while purchasing the property than they had expected or planned to (this does not include the price of the property but other costs such as a stamp duty, valuations, condition surveys and so on)

k. Spend more time trying to buy a property than they had expected or planned to

l. Spend money on a property that they did not end up purchasing (for example, pay for a survey and pull out afterwards)

m. (**2nd hand specific**) Discover problems with a second-hand property after purchasing it that the owner/seller would or should have known about. Note: we are only interested in problems that would have existed at the time of the sale

n. (**2nd hand specific**) Find the period between going sale agreed and closing the sale (conveyancing) longer than expected

o. (**New build specific**) Buy a new build and move in later than expected for reasons beyond their control (for example, developer delays)

p. (**New build specific**) Discover the specifications of their new build property are different than they had thought or expected (for example, the orientation, dimensions, floor plan or other)

q. (**New build specific**) Discover the new build development is different than they had thought/expected (for example, services were not in place, it was less well connected or had fewer amenities)

r. (**Experienced buyers; select all that apply final option**) None of the above

(Below is for harms for selling. Similar to buying except all participants see the same items, i.e. there are no differences based on the type of house they last sold. Again, those with experience are shown a select all that apply with 'None of the above', and those with no experience are asked 'how many sellers out of 100…')

(If sold in Ireland before) We are interested in your experience of selling a property in Ireland. Think about the last time you sold a property in Ireland.

Note: if you have sold more than one property, please only answer these questions about the last time you sold a property.

Q. Thinking about the last property you sold in Ireland, was it:

➢ A home you lived in

➢ A rental property

➢ Another type of property (please specify)

[*lastsoldtype*]

Q. Did any of these happen to you during the period when you sold this property? Please think carefully back to that time and select all that happened.

[List of harms + 'None of the above']

(OR – People who have never bought in Ireland)

We are interested in your perceptions of what it may be like to sell a property in Ireland.

Below is a list of things that may or may not occur when someone sells a property. For each, we would like you to say how likely you think it is that this would happen to the typical seller.

Q. Out of every 100 sellers, how many do you think:

[List of harms]

(The wording shown is that which was show to those with no experience. For those with experience, the wording was adjusted along the lines of 'I spent money on a sale…')

a. Spend money on a sale that ends up falling through (for example, pay for legal fees only for the buyer to pull out)

b. Accept a bid on a property and the buyer later threatens to pull out unless they accept a new, lower offer (sometimes known as 'gazundering')

c. Accept a bid on a house and go 'sale agreed', then the buyer later pulls out (for any reason)

d. Accept a bid on a house and go 'sale agreed', then later decide themselves to pull out (for any reason)

e. Find the period between going 'sale agreed' and closing the sale (conveyancing) longer than expected

f. Sell their house for a lower price than they expected

g. Have a buyer or a prospective buyer discover issues with their property that they had not known about

h. **(Experienced sellers; select all that apply final option**) None of the above

BUILD A SYSTEM

Please imagine that you could decide how houses and apartments are bought and sold in Ireland.

You can choose what types of bidding system are allowed, who is responsible for surveying the property and when bids become legally binding.

Q. Please choose the system that you think is most fair for people buying and selling properties.

1. Bidding system (order randomised except for 'Other – please specify')

➢ Open offer through an estate agent (i.e. agents take bids and counterbids directly via email or phone and they update bidders on new activity)

➢ Open offer through a visible platform (i.e. all bidders can submit bids and counterbids via an online portal and see all bidding history)

➢ Single blind bids (i.e. each bidder can submit one sealed bid to an estate agent and no bidders are aware of anyone else's bids)

➢ Other – please specify

[*bidsystem*]

2. Survey responsibility (order randomised)

➢ The seller must provide potential buyers with a condition survey on the house before it goes to market

➢ The buyer can get a condition survey after the house is sale agreed, if they wish

[*survey*]

3. Legal binding (order randomised)

> ➤ The sale is legally binding as soon as an offer is accepted
> ➤ The sale is not legally binding until contracts are signed

[*binding*]

Thank you. Below is the system that you think is most fair for people buying and selling houses.

(Participants show their selections from the previous page)

Q. Overall, how fair do you think this system is to everyone? [*overallfair*]

Q. Overall, how fair do you think this system is to buyers? [*buyerlfair*]

Q. Overall, how fair do you think this system is to sellers? [*sellerfair*]

Q. Overall, how fair do you think this system is to estate agents? [*eafair*]

Q. Overall, how fair do you think this system is to lawyers? [*lawyerfair*]

Not at all fair 1–7 Totally fair

Looking at each part of your system now: (shown each choice made on first part of section and asked the same set of questions for each)

[*bidsystem / survey / binding*]

Q. How important is this part of your system in ensuring it is fair? [*bid/survey/legalimportant*]

Not at all important 1–7 Very important

Q. Do you think it is fairer for buyer or sellers? [*bid/survey/legalmorefair*]

> ➤ Buyers
> ➤ Sellers
> ➤ Equally fair for both

Look below at the different systems for making offers on properties.

Q. Think about housing in Ireland generally, do you think any of these systems would be more likely to slow down increasing house prices? (order randomised except 'None of these')

> ➤ Open offer through an estate agent (back and forth communication via phone or email)
> ➤ Open offer through a visible, online platform
> ➤ Single blind bids
> ➤ None of these

[*priceincreasesystem*]

Q. When putting offers in for a property in real life, which of these systems have you used? Select all that apply.

➢ An estate agent took one sealed bid from everyone and no one knew what anyone else had bid

➢ An estate agent took my bid(s) over the phone or by email and contacted me when new offers came in

➢ I submit bid(s) to an online bidding system that displayed mine and other bids

➢ I bid using a different system (please specify)

➢ I have never put in an offer on a house before

[*system_use*]

SOCIO-DEMOGRAPHICS AND FINAL PAGE

Q. How old are you in years? [*age*]

Dropdown: 18–100

Q. Where were you born? [*born*]

➢ Ireland

➢ Other (please specify)

Q. Which of the following best describes the area you live in? [*urbanrural*]

➢ Urban

➢ Rural

Q. What is your highest level of educational attainment? [*education*]

Dropdown: Less than Junior Certificate–Doctorate

Q. What is your current employment status? [*employment*]

Dropdown: Employed full time–Unable to work

Q. What is your household's gross income (before tax and deductions) per year? Please include all income sources (e.g. social welfare, pensions, etc.) [*hhold_income*]

If you are living in a shared household, for example renting with others, or you are living with parents but are financially independent, please do not include the income of these others in your answer.

Dropdown: Up to €20,000–€150,000 or above (also included were 'Don't know' and 'Prefer not to say')

Q. How many people, including yourself, live in your household? [*num_hhold*]

Dropdown: 1–More than 10

Q. Are there any children under the age of 18 living in your household? [*children_hhold*]

> Yes

> No

Before you finish the survey, it would be very helpful if you let us know whether you experienced any difficulty during your participation.

Q. Please tell us if anything was unclear or any of the questions were difficult to answer. [*diff*]

[Optional open text box]

Q. Is there any reason why your data may not be usable for analysis? Note that your response to this question **will not** affect your payment. [*data_use*]

[Optional open text box]