Ireland

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IN A NUTSHELL

- → The economy grew by 4.9% (Modified Domestic Demand, the most reliable indicator).
- → Housing supply also increased, by 36,284 dwellings, the highest annual figure since the series began in 2011.
- → House prices continued to rise, by 7.5%, rising faster outside Dublin than in the capital
- → The mortgage market expanded to around EUR 114.9 bn of lending in 2025, driven by first-time buyers, new-build lending and higher average loan sizes.
- → Green mortgages are now a mainstream feature, but the market still lacks a consistent public statistical series linking mortgage stock, rating and emissions performance.

MACRO-ECONOMIC OVERVIEW

GDP grew by 12.3% in 2025, but this was again driven by multinational-dominated sectors, which grew by 25.1%. For the mortgage and housing market, Modified Domestic Demand is a better measure of underlying domestic conditions; it rose by 4.9% in 2025, while personal spending increased by 2.9%.

Construction output increased strongly in the national accounts, increasing by 9.7%, consistent with the rebound in completions. Although unemployment rose slightly, to 4.4% in Q4 2025, up from 4.0% a year earlier, the labour market is still historically tight. Inflation ended the year above the ECB target at 2.7% (HICP).

HOUSING MARKET

Supply increased sharply. The CSO recorded 36,284 new dwelling completions, up 20.4% from 2024 and the highest annual total since the series began in 2011. The strongest growth was in apartments of which 12,047 were finished, up 38.7%. More than half of completions were in Dublin or the Mid-East (Kildare, Meath, Wicklow and Louth) where the demand pressure is greatest.

Despite the new construction, prices continued to rise significantly faster than inflation. The national Residential Property Price Index increased by 7.5% in the year. Dublin prices rose by 5.6%, while those in the rest of the country increased by 8.1%. The median price of a dwelling was EUR 387,000, with Dublin at EUR 500,000.

MORTGAGE MARKET

MARKET DYNAMICS

Mortgage lending grew in 2025. According to the Central Bank the market grew to EUR 114.9bn (up 11.1% from EUR 103.4bn). The average mortgage loan size increased by about 7% to EUR 330,000.

First-time buyers continued to dominate lending growth with 27,650 new loans accounting for almost three-quarters of the growth in home purchase loans.

Mortgage rates eased as they did throughout the eurozone. According to the Central Bank the weighted-average rate on new mortgage agreements was 3.50% at year end, 30 basis points lower than a year earlier but 18 basis points above the euro-area average. Fixed-rate lending remained dominant, only 16% of new mortgages were floating or fixed for up to one year, with over 60% being fixed for 3 years or longer.

Several policies were introduced and extended during the year within the overall framework of a new housing policy which targets 300,000 new homes within five years of which 72,000 will be social and 90,000 affordable. The vacant homes tax was increased (from five to seven times basic property tax rates) and residential zone land taxes introduced to encourage development. On the other hand, rental controls (capping rent increases at the lower of 2% and inflation) were expanded to the entire country. The Help to Buy scheme, the First Home scheme and the mortgage interest relief were all extended.
Central bank prudential rules for banks were unchanged but changes to the rules for credit unions enabled them to lend more to the housing sector.

MORTGAGE FUNDING

Irish mortgage funding remains dominated by the banking sector and by deposit funding. Although non-bank financials have a market share of 16% (significantly higher in buy-to-let than in the owner-occupied market), they are also active in the servicing of the legacy loan books.

The Central Bank of Ireland's Total Domestic Credit statistics show EUR 111 bn of outstanding principal-dwelling-home mortgage loans to individuals in December 2025, of which bank owner occupied, first home mortgages were EUR 96.4 bn.

Covered bonds remain an established funding tool for Irish banks although their use has been declining as deposit funding has improved.

GREEN FUNDING

Green mortgages are now a mainstream feature of the Irish market. Large lenders offer preferential fixed rates for homes meeting Building Energy Rating thresholds, typically A or B ratings under current BER rules. AIB, Bank of Ireland and PTSB all advertise green mortgage products, and broker comparisons indicate that several other lenders also compete in this segment.

The Home Energy Upgrade Scheme continues to provide subsidised loans for eligible projects to improve energy efficiency.

	IRELAND 2024	IRELAND 2025	EU 27 2025
MACROECONOMIC VARIABLES			
Real GDP growth (%) (1)*	2.6	12.3	1.5
Unemployment Rate (LSF), annual average (%) (1)	4.3	4.7	6.0
HICP inflation (%) (1)	1.2	2.1	2.0
HOUSING MARKET			
Owner occupation rate (%) (1)	69.3	70.9	68.5
Gross Fixed Investment in Housing (annual change) (1)	4.1	6.5	2.8
Building Permits (2015=100) (2)	32.4	35.0	86.9
House Price Index - country (2015=100) (1)	183.4	197.2	161.92
House Price Index - capital (2015=100) (2)	160.7	191.4	n/a
Nominal house price growth (%) (1)*	8.5	7.5	5.5
MORTGAGE MARKET			
Outstanding Residential Loans (mn EUR) (1)	82,519	94,691.00	5,617,435.11
Outstanding Residential Loans per capita over Total Population (EUR) (2)	15,419.3	17,347	12,472.10
Outstanding Residential Loans to disposable income ratio (%) (1)	52.06	51.89	81.39
Gross residential lending, annual growth (%) (1)	4.0	5.7	2.8
Typical mortgage rate, annual average (%) (2)	4.04	3.5	3.31

(1) Eurostat Data
(2) European Mortgage Federation – Hypostat 2026, Statistical Tables
* Eurostat Reviewed
** EU 2025 to be confirmed

IRELAND FACT TABLE

Which entities can issue mortgage loans in your country?	Credit institutions (mainly banks) as well as non-bank retail credit firms/home reversion firms.
What is the market share of new mortgage issuances between these entities?	The market shares of different entity types are not published for competition reasons.
Which entities hold what proportion of outstanding mortgage loans in your country?	Non-banks accounted for 17.0% of the total mortgage accounts outstanding for principal dwelling homes (PDH) at the end of 2024 and 38.6% of buy-to-lets (BTL), according to the Central Bank of Ireland. Non-banks include retail credit firms, which are non-deposit taking regulated lenders, and credit servicing firms.
What is the typical LTV ratio on residential mortgage loans in your country?	Central Bank of Ireland research indicates that the average LTV for FTBs fell from 80.3% in 2023 to 79.6% in 2024, while the average LTI increased from 3.3 to 3.4. For second and subsequent buyers (SSB), who are mostly home movers and exclude buy-to-lets, the average LTV was unchanged at 66%, while the average LTI was 2.7. Note: These figures exclude the 6% of loans that were exempt from the Central Bank of Ireland's macroprudential regulations in 2024 including switcher loans (with no additional lending) and loans in negative equity
How is the distinction made between loans for residential and non-residential purposes in your country?	Residential mortgage loans include loans for residential property purchase (both for owner-occupation and buyto-let), as well as re-mortgage or switching between lenders and top-up or equity withdrawal. Non-residential mortgages include commercial mortgages, where finance is provided for the purchase of a business premises. Where legal entities manage a number of buy-to-let properties, these may be treated as commercial entities rather than residential buy-to-let but this categorisation is at the discretion of the lender.
What is/are the most common mortgage product(s) in your country?	The standard variable rate mortgage for home purchase, based on the French amortisation profile, has traditionally been the most popular product among new customers, but the value of new mortgage agreements with fixed rates has exceeded those on floating or up to 1 year fixed rates in recent years. The share of outstanding mortgages on rates fixed for over one year fell from 64% at the end of 2023 to 62%. Some 69% of the value of new mortgage loan agreements were on fixed rates of greater than one year.
What is the typical/average maturity for a mortgage in your country?	For first-time buyers the mean term for a mortgage is about 29 years. For second-time home buyers it is about 24 years.
What is/are the most common ways to fund mortgage lending in your country?	Retail deposits are the main source of funding for mortgage lending, but covered bonds and residential mortgagebacked securities are also important.
What is the level of costs associated with house purchase in your country (taxes and other transaction costs)?	Legal fees related to the purchase of the property are estimated at EUR 1,000-2,000. Buyer surveyor fees range from EUR 250 to EUR 1,000. Estate agent fees vary between 1% and 2% of the purchase price. VAT is charged on the sale of new residential properties. Stamp duty is charged on the VAT-exclusive price and is levied at 1% on the first EUR 1 mn (1% of the total if the VAT-exclusive price is up to EUR 1 mn), 1.5% on amounts between €1 mn and EUR 1.5 million and 6% any amounts above EUR 1.5 mn. Separaterates are charged where multiple properties are involved.
What is the level (if any) of government subsidies for house purchases in your country?	Eligible FTBs can receive refunds of income and deposit tax paid for purchases of new properties under the Help to Buy (HTB) scheme. FTBs can claim up to €30,000 or 10% of the value of the home. The First Home Scheme is a shared equity scheme. The scheme contributes up to 30% of the cost of new homes, if the FTB is not also availing of the HTB scheme or up to 20% if the FTB is also using the HTB scheme. The government also operates an affordable homes scheme, through which local authorities sell newly built homes at below market price with the local authority taking an equity stake covering the difference between the price paid and the market value. The local authority home loan is provided by local authorities to borrowers who cannot get sufficient funding from commercial lenders to buy a new or second-hand property.