

# Rental lift spills to sales

FOCUS ON: **MINI REVIVAL IN KERRY**

Houses are selling at below rebuilding cost, with a jump in sales under €200,000

WHETHER on the coast itself or close to a

significant body of water, the waterside locations in Kerry are characterised by a continual attraction that has helped keep the market ticking over here where others have remained dormant.

“The strong point about the Tralee area,” says one experienced agent working in the town, “is that it has the mixture of the coastal property and the high concentration of people. So you have the likes of the larger stores like Tesco, but at the same time you’ve places like Ballyheigue or Dingle just a short distance away.”

One Tralee auctioneer said: “I would say that houses are down 33% to 40% from their peak.”

This is an impressive enough statistic given that it’s widely accepted that house prices are down by closer to 50% in Kerry generally.

Another agent claims that there is a greater variety in the house types in terms of how much their values have fallen from peak. “It’s really very varied,” he says. “In one area, values are down 20% while other areas, the fall is more like 60%.”

In trying to put a finger on the varying fortunes of house values, a common and persistent theme is

REPORT:  
**Conor Power**

that of property near the water holding its value.

Agents interviewed on the Dingle Peninsula are also reporting modest value reductions of between 25% and 40% from the height of the boom. It’s an area where the words ‘single’ and ‘detached’ combined with ‘water’ create a magic formula to stave off any recessionary winter.

“Property with a sea view has a better chance of selling,” says one Dingle agent who sees a turning point having come about for foreign-based buyers who are now beginning to re-emerge after a 4-5 year hiatus — a time when they were fairly priced out of the market by the voracious home holiday market.

Now, many of those same Irish in search of some of the Kerry waterside charm are putting their efforts into the holiday rentals market. By the mid-point of last year, a pattern of increased holiday lettings had already started to assert itself on the market: “We had our first significant increase in lettings in the early part of the summer season in 2010,” says one experienced letting agent



**FOR SALE**

The fine home at Sika Lodge, Ballydowney, Killarney, is on the market for €475,000.

## Kingdom bargain offer

Sika Lodge, at Ballydowney near Killarney, is a fine property for a buyer thinking of getting into the B&B business. New to the market in recent

weeks, it’s an attractive, stone-fronted, three-storey house that has 2,900 sq ft of space with 10 en-suite bedrooms. Just 1km from the National Park and Killarney town centre.

specialising in holiday lets in areas along the North Kerry coast and the Dingle Peninsula. In Dingle, average rents are down from €900 to €500/month but holding steady and due to rise. The property market is getting a boost from the slow but steady return of the overseas buyer.

The strong rental base, it is hoped, is creating a platform for a recovery in sales. In coastal areas, the

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market trend at present is for rentals to be dominated by Irish and long-term Irish residents. In Dingle, average rents are down from €900 to €500/month but holding steady and due to rise. The property market is getting a boost from the slow but steady return of the overseas buyer.

“There seems to be more Dutch and German interested in the market at the moment than British,” said one agent. At the height of the boom, it was a consistent pattern in the coastal areas for the British to be the dominant exterior market — one which found itself increasingly priced out of it. The observations that it is the Continentals who are returning sooner than the UK market is an interesting turn of events that harps back to the 1960s when the last big

Sample sales: **TRALEE AREA**

<b>Area:</b>	The Marina, Tralee
<b>House Type:</b>	Apartment
<b>Bedrooms:</b>	Two
<b>Asking price:</b>	€90,000
<b>Sale price:</b>	Around €80,000

<b>Area:</b>	Ballymacelligott
<b>House Type:</b>	Detached house
<b>Bedrooms:</b>	Four
<b>Asking price:</b>	€280,000
<b>Sale price:</b>	Around €255,000

<b>Area:</b>	Abbey Park, Tralee
<b>House Type:</b>	Semi-detached
<b>Bedrooms:</b>	Three
<b>Asking price:</b>	€160,000
<b>Sale price:</b>	Around €145,000

<b>Area:</b>	Ballyheigue
<b>House Type:</b>	Detached
<b>Bedrooms:</b>	Three
<b>Asking price:</b>	175,000
<b>Sale price:</b>	Around €150,000

wave of Germans and Dutch took place.

In the larger town of Tralee, meanwhile, the concentration is firmly on the three-bedroom semi-detached house. Trading up, say the agents, is happening but at a “trickle” versus what was happening when the market at its height.

Opinion is divided as to when the market is going to bottom out. Half of those in the waterside zones are hesitant to hazard a guess while the other half say the market has either bottomed out

or is about to. One agent in Tralee points to the evidence that some houses are offering such good value that they are below rebuilding costs. Therefore, he says, they cannot go any lower. This is borne out in increased sales at the lower end under €200,000.

In the coastal areas, the green shoots are growing primarily from another source. “For me,” says one auctioneer in Dingle, “it’s down to the fact that, for the first time in four years, we are getting buyers from abroad.”

could change rapidly with any sudden change in lending strategies.

“Before Christmas,” the agent points out, “EBS were the ones who were open for lending. Then they suddenly seemed to shut up shop and that mantle seems to have been taken on by Bank of Ireland... It’s hard to

understand what is happening, but if a little more liquidity were to be introduced to the banking system and all the lenders began lending again, there’d be a surge in activity and Tralee could actually run out of three-bedroom semi-detached houses within four to six months.”

**SOLD: Killarney**

**IN GENERAL:** 3/4 bedroomed semi-detached houses in private estates within walking distance from town are selling for €200,000-€235,000.

■ Three-bed bungalow, within walking distance from town; sold for c.€240,000.

■ Stylish detached four-bedroomed family house, good location, close to town, situated on a half-acre, in good condition; sold for around €330,000.

■ Detached four-bedroom home, in need of refurbishment, within walking distance town; sold for around €290,000.

■ Two-bedroom apartments; new, in a good location with car parking; have sold with prices varying from €110,000 to €140,000. Some higher spec apartments or duplex in Killarney are achieving more.

# Upbeat urban buyers are easing towards a revival

IN ANY market there is always some movement and there are always trends.

Trying to predict what the next trend will be and where the current ones are going is what everyone tries to do.

In the current property market in Ireland there has been a remarkable increase in activity generally and in sales during the first quarter of 2011. Already, it has been officially confirmed by a number of sources that rental values have risen during this period and the vast majority of auctioneers in the field believe that they will continue to do so.

The increase in rental values is dictated by what’s happening in vibrant urban areas that are well served by facilities to attract tenants, more of whom have been opting for longer leases of late.

On the sales side of

by **Conor Power**

FOCUS ON: **KERRY**

things, the concentration in activity is on the lower end of the scale with a lot of smart money now re-appearing and making its move. This is borne out by the testimony of several agents in the province and the snapshot of the market provided by the recent Allsop public auction in Dublin confirms as much.

It is, perhaps no coincidence that the majority (62%) of properties sold in that public sale were apartments. In Killarney, one auctioneer firmly believes that the next trend will be in apartments: “There’s no doubt in my mind but that’s where you’ll see the next wave of purchases,” he says. “There is good quality of stock in apartments in and around the town at the

moment offering great value and we’re finding a lot more people asking about them.”

Killarney makes a good case for the model urban centre — a large town with good year-round economic activity, strong infrastructure and a particularly strong tourism market. It is typical of the sort of urban location where demand for living space is likely to increase during the coming months, maintaining upward pressure on rental values.

Another strong current trend amongst tenants is the demand for quality accommodation of a modest size.

Returns on rental investment are high and apartments are offering quality at good value in modest-sized packages.

Sample sale: **Kerry**



**FOR SALE:** No 47 Caheranne Village, Tralee, sold for around €170,000. A three-bed semi-detached residence (c.1,320 sq ft) in a convenient popular location, this sale came with many extra features. The asking price was €189,000. Sold for: €170,000.

<b>Area:</b>	Abbey Park, Tralee
<b>House Type:</b>	3-bed semi-detached
<b>Peak price:</b>	€160,000
<b>Sale price:</b>	In the region of €145,000

<b>Area:</b>	Cottages, Ballyheigue
<b>House Type:</b>	4-bed semi-detached
<b>Asking price:</b>	€175,000
<b>Sale price:</b>	In the region of €150,000

Sample sale: **Kerry**



**FOR SALE:** Kilnanare, Firies, Co Kerry. This immaculate detached three-bed residence with south-facing aspect enjoys mountain views sold for €180,000. Spacious and bright sunroom recently added. Within easy reach of Killarney, Tralee, Killorglin and Farranfore airport. Asking Price: €195,000. Sold for: €180,000

Sample sales: **Kerry**

<b>Area:</b>	Killarney
<b>House Type:</b>	3-bed semi-detached
<b>Built in:</b>	1990s
<b>Peak price:</b>	€250,000
<b>Sale price:</b>	Around €190,000

<b>Area:</b>	Tralee
<b>House Type:</b>	4-bed semi-detached
<b>Peak price:</b>	€300,000
<b>Sale price:</b>	Around €190,000



Tel: 066 7190699

**FOR SALE**  
48 Cois Cnoic Dingle, Co. Kerry



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