

West allows itself a shot of optimism

by **Conor Power** FOCUS ON: **URBAN CLARE**

Auctioneers in the main urban centres are cautiously upbeat about their “quiet boom”

CLARE’S administrative capital Ennis is a town that has always proven itself in stretching that little bit further and putting itself forward. In 1997, it became Ireland’s first (and only) Information Age town.

Today, its property market appears to be in rude health when compared with the generally sluggish picture overall in Munster. It is what one commentator described as a “quiet boom”, where property at more than one level is selling, where people are trading up and where there is now the distinct possibility of property of a certain type becoming scarce by the end of 2011.

If auctioneers have learned anything from recent experience, it’s to be wary of any sort of boom, no matter how encouraging it might be, but simply to work through it. And that appears to be the attitude adopted by the wily

Ennisonians.

“By the end of the year you will not be able to buy a new house in Ennis for at least another five years,” says one auctioneer in the town who has seen more business done in the first

three months of 2011 than he has seen in the whole of 2010. The business, which hadn’t seen any bidding scenarios on property for three years, has already seen seven such cases in 2011.

Three- to four-bedroom semi-detached houses in “mature” estates (i.e. those built in the late 1990s or early 2000s) seem to be the property types that are faring best under the current market conditions. Nobody in the property business is using the word “recovery”, but there is strong activity nonetheless. Unsurprisingly, the apartments market has suffered the most: Properties that were once changing hands for up €225,000 in the town



A bird’s eye view of Ennis, where properties that were once changing hands for up €225,000 in the town are now fetching a mere €70,000. Of course, bargains of this sort are attracting buyer interest. **Picture: Denis Scannell**

Case studies: **Urban Clare**

Location:	Co Clare
Area:	Near Ennis
House type:	2-bed /65m2 Apartment
Year built:	2000
Peak value:	€225,000
Sale price:	In the region of €70,000

Location:	Co Clare
Area:	Outskirts of Ennis
House type:	Three-bed semi
Year built:	1995
Peak value:	Unsure
Sale price:	In the region of €2.2m

are now fetching no more than €70,000. Of course, bargains of this sort are attracting buyer interest.

The rental market has firmed up and this stabilisation is set to continue, with monthly rental yields down from about €800/month to €550-€600. Supply of quality housing for the rental market is already an issue, with tenants more demanding of a high standard of quality housing.

Properties aren’t selling by auction, generally speaking, but one auctioneer has reported two successful public auctions of land parcels and is planning more for the rest of the year.

There is the rather philosophical observation from one

operator in the property market in Ennis, who notes that over the last 20 years we have only experienced a modest boom for five years of that period (from 1996 to 2000). There was virtually no increase in property prices for the preceding five years (1991 to 1996) and the hyper inflation of the period from 2001 to 2007 has now been wiped out.

There is some trading-up activity going on in Clare’s county town. The removal of the impediment of the punitive stamp duty rates have made it easier for this to happen, but trading-up deals are still going through at a trickle. This is put down to the lack of mortgage approval or, as one auctioneer reported, the phenomenon of approval

being granted and then lapsing. EBS, Bank of Ireland, KBC and Ulster Bank are the lending institutions being consistently quoted by Ennis auctioneers as being in the market for lending. Criteria for lending are stringent and these are being set by the

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Central Bank. While some lenders will put up 90% of the purchase price, applicants’ bank accounts and spending patterns are thoroughly scrutinised.

“If they see that you’ve spent too much in the supermarket in a given month they won’t approve you for a loan — it’s literally down to that,” said one Ennis auctioneer who predicts a further price drop and no recovery in values in the short term.

Coast and rural homes blessed with uplift from ‘Fr Ted effect’

FOCUS ON: **COASTAL CLARE**

Sales in niche spots like Killaloe have stayed solid, with three-bed homes selling for €200,000, a marginal dip from peak figures of around €230,000

IN COUNTY Clare, there has what many auctioneers refer to as the ‘Father Ted effect’. The famous British-made comedy series about the surreal adventures of three priests on the fictional Craggy Island served as an introduction to Clare for millions of potential UK home-purchasers.

Today, the British market has died off from its peak in the early 2000s, but there is evidence of a comeback of sorts in a Clare property market that is seeing its share of a general resurgence.

“We’ve noticed that the British market has been increasing in terms of enquiries — particularly for the coastal areas — and we’ve also had some sales too.”

So says one Ennis-based agent with a good trade in the rest of the county.

“They are still around,” says one Ennistymon agent, “but they are few and far between all the same. There seems to be a wait-and-see approach there at the moment. They would have been a very important part of our market — for holiday homes, cottages and renovation projects. The English were the most important, but there were a good few American and German clients too.”

Small cottages for renovation are still in demand in the many areas of outstanding



SALE AGREED: This stylish three-bed semi at Lios na Mara, Lahinch, Co Clare, came on the market in February, seeking €150,000. A sale has now been agreed at a little under this asking price.

natural beauty in County Clare.

“Houses or cottages for renovation might be down by about 30-35%,” says one agent based near Lahinch in a county where all agents interviewed agreed that house prices had generally fallen by approximately 50%.

Throughout the county in the rural and coastal spots, there has been some variation on average prices. Taking the average three-bedroom semi-detached house as a barometer, location is a factor when comparing prices.

In Ennistymon, for example, the average three-bed semi is currently selling at approximately €150,000 — down from a peak of €250,000. Down the road in Lahinch, meanwhile, its coastal location means

that the same type of property is fetching a slightly higher price (€160,000 down from €320,000).

In the southern seaside town of Kilkee, the drop has been more acute. This is a market where 80-90% of business was that of the home holiday-home variety and the average three-bed semi-d has dropped from about €250,000 at the height of the boom down to current prices of €90,000 to €100,000, according to agents in the town.

“Holiday homes have taken a real bashing here,” says one auctioneer in Kilkee. “For example, there’s one property for sale here in the town that sold for €800,000 at the peak. That’s now down to about €375,000.” In the case of Kilkee, the drop is not so much due to over-

development, according to agents working there, but to the plummet in demand for holiday homes. Another barometer that gives an indication of this is the case of the sale of a hostel in 2007 for a price of €2.4 million which is now on the market at €750,000.

There is, however, a good deal of increasing activity at the lower end where finance doesn’t seem to be a problem and holiday homes on the seafront itself have managed to avoid dropping in value as much as others (approximately 40%). The stamp duty changes have made a significant difference to the market according to local agents, and the trading up at the lower end of holiday dwellings is occurring with increasing frequency.

Also in the south of the county, the town of Killaloe is one of the most sought-after locations in Clare. This neat heritage town at the southern tip of Lough Derg benefits from the infrastructural development of a public marina that’s currently

underway (adding to an already considerable amount of private marina space).

The average three-bedroom semi-detached house here is approximately €200,000, which is down from a peak figure of about €230,000. The reason for the somewhat positively skewed result is that development was strictly limited during the height of the boom and the land for building large estates was simply not made available.

Killaloe’s twin town of Ballina in Co Tipperary across the narrow bridge offers a more sobering picture that highlights the stark difference between flawed short-term policy and a more considered long-term approach. It’s also an attractive town and one that is in high demand but one which has sprawled far beyond its village beginnings in order to try and meet that demand. Here, the average three-bed semi price stands at approximately €135,000 — down from a height of €235,000.

FOR SALE: A stylish Swedish-style property near Killaloe, Co Clare, The Water Garden, came on the market in March with a €450,000 guide price, down from €785,000 in 2006.



FOR SALE: This stylish four-bed detached home at No3 Radharc na Hinse, at Ballybeg in Ennis, is on the market at €480,000. Its asking price three years ago was €640,000.

