Investec Europe Market Bulletin
February 2021

Out of the Ordinary®

Investec

Contents

Executive Summary

In this month's Bulletin, we update our economic forecasts following the extension of Level 5 restrictions. While all indications are that the domestic economic recovery will be strong and durable when it does commence, the timeframe for this recovery is lengthening. Progress on vaccinations is critical to the outlook. After a disappointing start, the pace of vaccinations is now accelerating and a significant step up is expected through Q2. Recent commentary and targets have been encouraging, although we are mindful that these targets are contingent on the arrival of adequate supplies. In the housing market, the ongoing supply-demand imbalance has been exacerbated by the pandemic. Homebuyer demand is rebounding strongly but housing supply has been badly hit by the ongoing shutdown. We are therefore revising our forecast for house price growth this year to 4%.

Investec Corporate Finance conducts a deep dive on the significant spike in agricultural commodity prices over the past year and examines its implications. Investec Treasury looks at the recent rallies in sterling and oil and our lending desk rounds-up early-year activity in the high-end residential market.

Economic Update: Ireland

New economic forecasts – a slower recovery as reopenings delayed

Economic Forecasts: Key Points

- The economic outlook is entirely framed by COVID-19 at present. While we still expect an enduring domestic recovery to commence this year, we now anticipate that it will be the later stages of Q3 before it comprehensively takes hold given the slower pace of economic reopenings than hoped for at the start of the year. 5 April is now the earliest date for phased reopenings, but we expect the government to maintain its cautious approach.
- Although the timeframe for a domestic recovery has lengthened, all indications are that it will be strong and durable when it does commence. Remarkably robust income tax receipts attest to the resiliency of household earnings and the unprecedented build-up of household deposits means that the domestic consumer will have a lot of firepower resting in its low-yielding deposit account once restrictions are lifted and confidence returns.
- Reflecting the delayed nature of the recovery, we are downgrading our forecast for Modified Domestic Demand (MDD), our preferred measure of domestic economic activity, this year to +2.5% (from +5.1% in December). However we now expect MDD to expand by 5.0% in 2022. Similarly, our Personal Consumption forecast for 2021 is lowered from +6.8% to +3.0%, but we expect the consumer rebound to build momentum next year and we forecast growth of 7.3% in 2022. GDP growth of 3.7% and 4.4% is forecast for this year and next, although this metric is heavily influenced by multinational-dominated export sectors.
- Progress on vaccinations is critical to the outlook. After a disappointing start, the pace of vaccinations is now accelerating and a significant step up is expected through Q2. Recent commentary and targets have been encouraging, although we are mindful that targets are contingent on supplies.
- In the housing market, remarkable price stability through much of 2020 is giving way to upward price pressures. Homebuyer demand is rebounding strongly and a record volume of mortgage approvals in Q4 provides a robust base for 2021 activity. Housing supply however has been badly hit by the ongoing shutdown. We are lowering our forecast for housing completions this year by 8% to 19,500 and upgrading our forecast for house price growth to 4% (from 1%).

	2017	2018	2019	2020F	2021F	2022F
GDP	9.1%	8.5%	5.6%	3.4%	3.7%	4.4%
Modified Domestic Demand	3.0%	2.5%	3.5%	-5.4%	2.5%	5.0%
Personal Consumption	2.4%	2.8%	3.2%	-8.6%	3.0%	7.3%
General Gov't Balance/GDP	-0.3%	0.1%	0.5%	-5.3%	-5.4%	-3.5%
Residential Property Prices (y/y, Dec)	12.1%	6.3%	0.3%	2.2%	4.0%	3.5%
Mortgage Lending	€7.3bn	€8.7bn	€9.5bn	€8.4bn	€9.5bn	€10.5bn
Housing Completions	14,355	17,916	21,087	20,676	19,500	24,000

Economic Update: Ireland

Timeframe for domestic economic recovery is lengthening

- The economic outlook is entirely framed by COVID-19 at present. While we still expect an enduring domestic recovery to commence this year, we now anticipate that it will be the later stages of Q3 before it comprehensively takes hold given the slower pace of economic reopenings than hoped for at the start of the year.

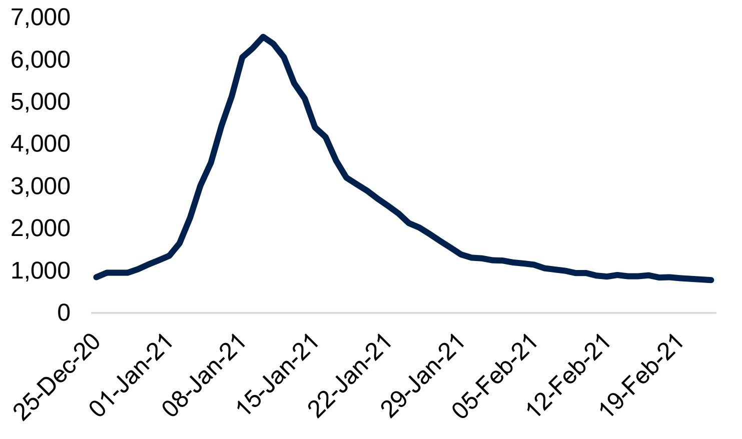
Caution is still the order of the day

- A combination of a deceleration in the decline of new virus cases, concerns about new variants, vaccination supply issues and a cautious government approach has led to the extension of Level 5 restrictions until at least 5 April. Even the reopening of the construction industry, which had been mooted for early March, has been delayed. Timelines remain frustratingly vague, encapsulated by the Taoiseach's recent comment about hospitality not opening before mid-summer.
- This is perhaps understandable given the range of variables at play, but the approach now stands in stark contrast to the four-stage reopening plan unveiled by the UK government this week. 17 May, when indoor hospitality and sporting venues may reopen, and 21 June, when legal limits on social contact are set to be removed, will be milestone dates there. The UK's stellar progress with its vaccination programme (see page 5) is now paying dividends.
- Despite envious glances across the Irish Sea, we expect the Irish government to maintain its cautious approach and its decisions to be informed by the calamitous easing of restrictions in December and the view that a second such mistake will not be as easily excused. A reassuring fiscal situation (tax receipts have been robust and were just -3.6% in 2020), affords the government the ability to be cautious while maintaining financial supports.

Downgrading the current year outlook

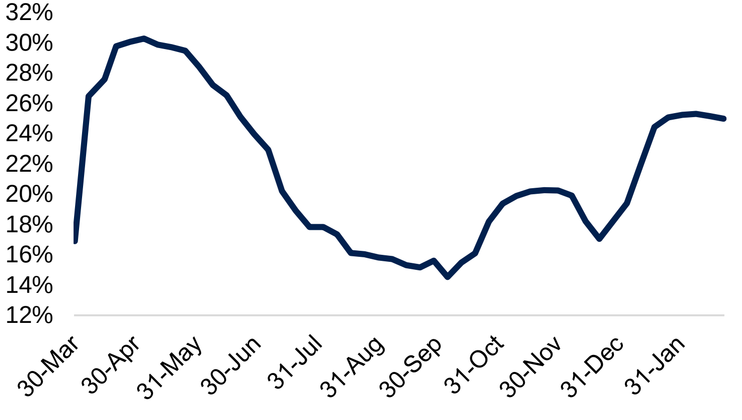
- **We are therefore downgrading our forecast for Modified Domestic Demand, our preferred measure of domestic economic activity, this year to +2.5% (from +5.1% in December). Reflecting the delayed nature of the recovery, we forecast MDD to expand by 5.0% in 2022. We expect GDP growth of 3.7% and 4.4% this year and next**, but it needs to be remembered that GDP in Ireland is heavily-weighted towards multinational-dominated export sectors. Growth in these sectors propelled Irish GDP higher in 2020 (+3.4% by our estimate). Of course, it almost doesn't need stating that all forecasts carry a high degree of uncertainty at present.

COVID-19 daily cases (7-day average)



Source: gov.ie

COVID-adjusted unemployment rate



Source: DEASP, CSO, Investec

Consumer to lead the domestic recovery

Consumer to lead the recovery following a prolonged period of enforced saving

- Although the timeframe for a domestic economic recovery has lengthened, all indications are that it will be strong and durable when it does commence. In a typical post-recession recovery, positive momentum can be slow initially and take time to build as economic imbalances are righted (we don't have to look too far back in history for such an example in Ireland). However, this hasn't been a typical recession in any sense, and there are a number of reasons to believe this recovery will be much swifter and stronger than usual.

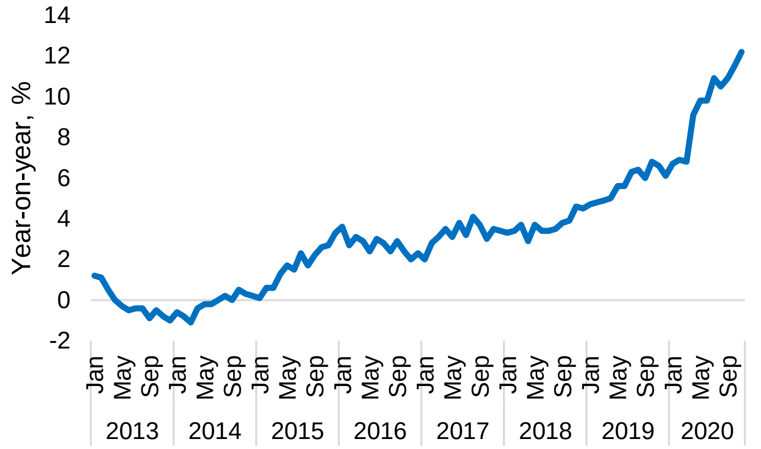
- As has been cited in many quarters, household deposits accumulated at an unprecedented pace last year as consumer shock took hold, spending opportunities diminished and uncertainty reigned. Personal consumption was 14% (€7.2bn) lower y/y in Q2-Q3, while household deposits in the banking system grew by 13% (€14.2bn) in the year to December. Remarkably resilient income tax receipts attest to the resiliency of household earnings despite the large hit to employment, and government income supports have gone a long way in supporting those that have found themselves out of work. Once restrictions are lifted and confidence returns, the domestic consumer will have a lot of firepower resting in its low-yielding deposit account.

- That's not to say that there won't be any hangover and that all of the potential firepower will be quickly converted to spending. Clearly not everyone who has been without work will be able to immediately resume employment and the number of businesses that won't reopen is impossible to quantify at this stage. Recent research from the Central Bank of Ireland also showed that forced savings from the pandemic were concentrated amongst higher income households that typically spend a lower proportion of additional income, which may dampen the forthcoming spending boom.

- We are also mindful that the consumer that emerges post-crisis could well be more cautious than the one that was blissfully unaware of the threat of a global pandemic a short time ago. However this may only be significant if it was thought that vaccinations were not going to put a permanent end to the COVID scourge.

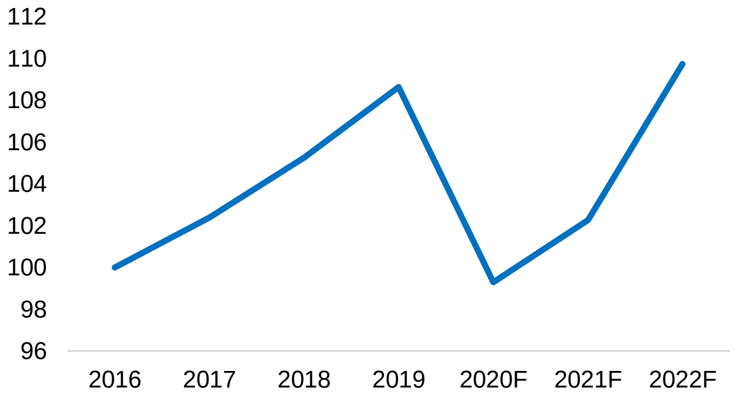
- **Although we are downgrading our Personal Consumption forecast for 2021 from 6.8% to 3.0% as a result of the delayed recovery, we expect the consumer rebound to build momentum next year and we forecast growth of 7.3% in 2022.**

Unprecedented growth in household deposits



Source: CBI

Personal Consumption (2016 = 100)



Source: CSO, Investec forecasts

Economic Update: Ireland

Vaccination rollout is critical and it is now picking up pace

Targets imply a significant step up in vaccination rates from April

- It has become apparent in recent months that vaccinations are the only lasting way out of the crisis. This was made abundantly clear by the rampant spread of the virus in December when restrictions were eased. This is also why the sense of jubilation that broke out late last year with the multitude of positive news on vaccination developments that brought the end point of the pandemic into sight has since been tempered. Production difficulties, debates about efficacy, and concerns about the emergence of new strains have collectively pushed this end point a little further away than initially hoped.

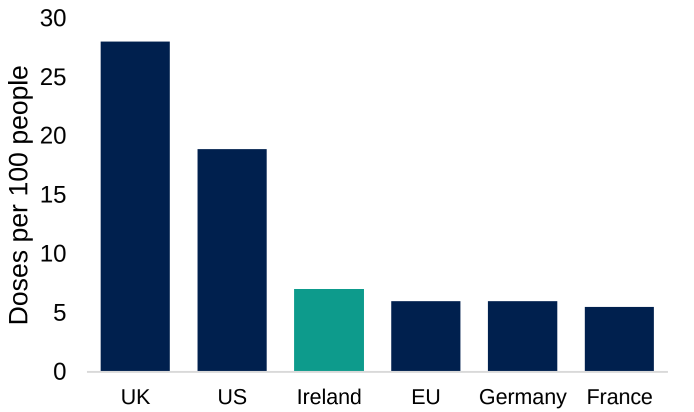
- After a disappointing start, progress is now accelerating. Irish authorities had administered 350k doses by 20 February, equating to 7 doses per 100 people, a little ahead of the EU average, and a further 100k are scheduled this week. Authorities hope to increase this run rate to 250k/week from April. Should this be achieved, and the 250k/week rate be maintained through Q2, the country could reach c.80 doses per 100 people by the end of June (note that this is not the same as 80% population coverage given the need for two doses). Encouragingly, there is scope for an even better outturn should the J&J one-shot vaccine be promptly approved by EU authorities. Mindful of recent disappointments however, and the large amount of unknowns, we are reluctant to formulate specific vaccination estimates.

Lessons from other countries suggest hospitality reopenings could commence during the summer months – in line with comments from An Taoiseach

- Where that leaves Ireland in terms of economic reopenings remains frustratingly unclear. The emergence of more contagious strains of the virus has caused much alarm and we have seen that vaccine supplies can be disrupted. Few would dispute that the vaccine rollout has been the best part of the UK's response to the pandemic and it has now administered almost 30 doses per 100 people. Extrapolating from current vaccination rates, the UK could have administered c.80 doses per 100 people by the time it plans to reopen indoor hospitality on 17 May and 100+ doses by the time social curbs are ended. Current targets in Ireland suggest 80 doses per 100 people could be reached by the start of Q3, although these targets carry plenty of caveats.

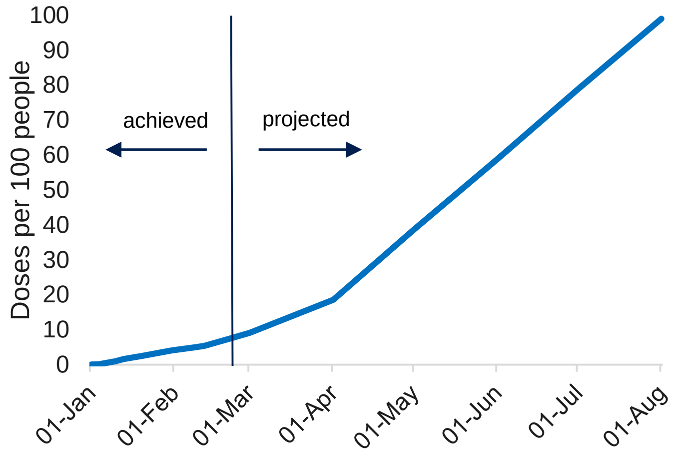
- Looking further afield, Israel, the world leader in COVID vaccinations, has just begun to emerge from a strict lockdown in recent days. It has already administered more than 80 vaccines per 100 people and around half of its population has received at least one dose.

Vaccination progress as at 20 Feb



Source: Our World in Data

Illustrative vaccination rollout in Ireland



Note: based on stated targets by HSE officials, specifically the 250k/week target for Q2

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Residential market – construction shutdown to fuel price growth in 2021

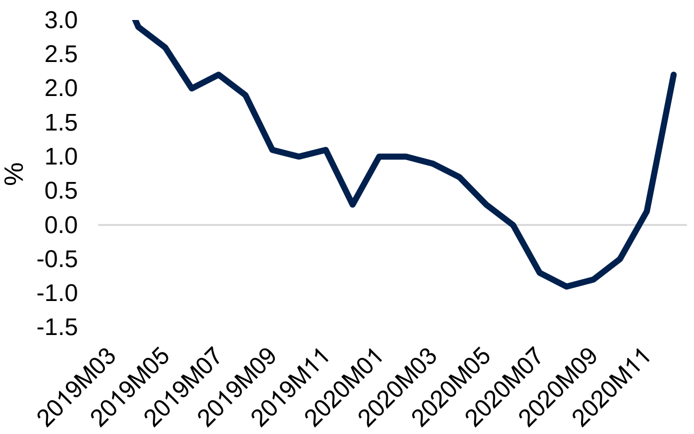
Residential prices now moving higher after weathering the storm

- One of the surprising things of the past year has been the resiliency of the residential property market. Prices were more stable in 2020 than in any of the previous 15 years despite the turmoil of the pandemic.
- This stability has now begun to give way to upward price pressure.
- Prices increased by 1.8% in Q4 2020, the largest quarterly increase since Q3 2018, and there are a number of indicators that suggest price inflation will persist through 2021.
- The size of the average mortgage approval in Q4 was 5% higher than a year earlier and data from both the daft.ie and myhome.ie websites show that the average price of a newly-listed home in Q4 was 6-7% higher than in the same period of 2019.
- The volume of mortgage activity also highlights the resiliency of underlying demand – mortgage approvals of €3.5bn in Q4 were more than 10% higher than any other quarter in the past 10 years. Government initiatives, such as the expanded Help to Buy scheme and the forthcoming shared equity scheme, will further serve to fortify demand and expand the pool of potential homebuyers.

Housing supply hit by ongoing construction shutdown

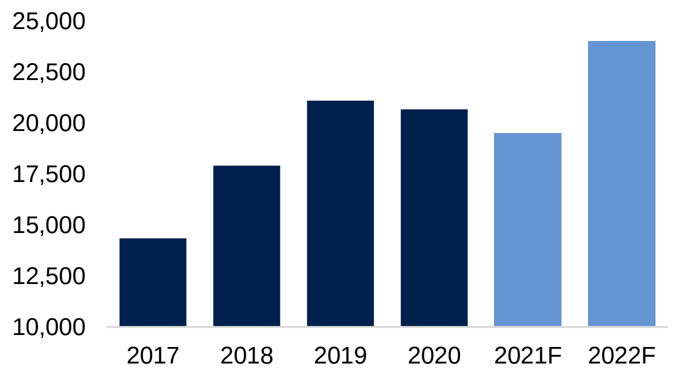
- Against this backdrop of robust demand, the key driving force in the property market remains the chronic undersupply of new housing, and this is being exacerbated by the pandemic. Developers over the past year have focused their efforts on completing already-started units and this approach has paid dividends – total completions of 20,676 units last year was within 2% of the total in 2019.
- While this was a very encouraging outturn, the outlook for this year is less promising. New housing starts were -17% last year, and the majority of the construction industry will have been shuttered for at least a quarter of the year when it is permitted to resume activities, and there is no guarantee that this will be in April.
- **We are therefore lowering our forecast for housing completions this year by 8% to 19,500. On foot of the ongoing supply-demand imbalance, we are also upgrading our forecast for house price growth this year to 4% (from 1%).**

Residential prices – annual change



Source: CSO

Housing completions (units)

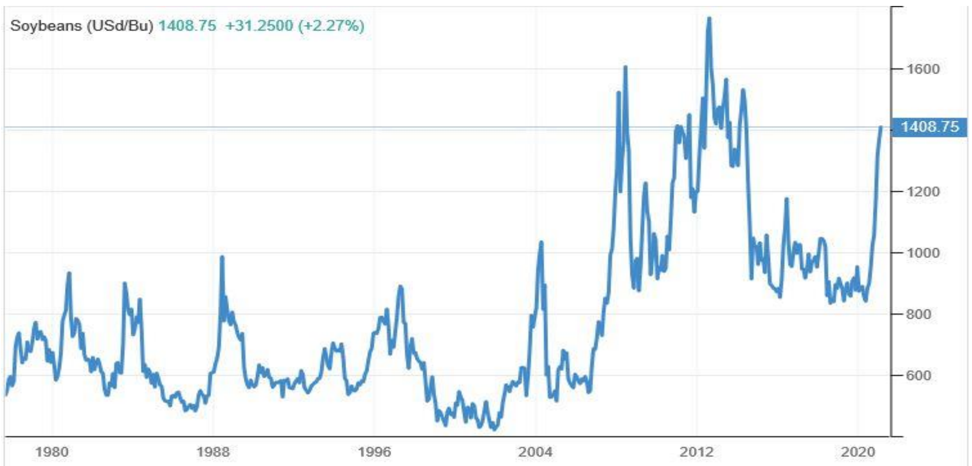


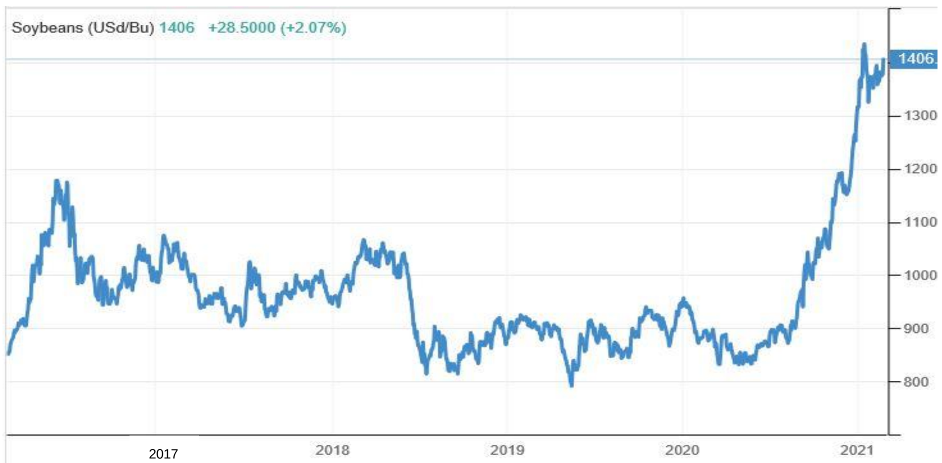
Source: CSO, Investec

Soft Commodities – signs of inflation stirring down on the farm

- In the shadows of business news headlines about record breaking stock markets, bitcoin, and negative interest rates, some market price movements of equal (if not more) importance to the real economy and our client base have gone relatively unreported.
- The price movements in question are the staggering moves since the middle of last year in some of the most important agricultural or soft commodities; exchange traded prices for vegetable oils up by a quarter, milling wheat up by a third, sugar up by half, soyabeans up by two-thirds, and corn (maize) up by three-quarters. Even for what tend to be volatile commodities, these are enormous price movements by historical standards (see historical charts for soyabeans, corn, and wheat on CBOT).
- As with crude oil and other hard commodities, markets in agricultural commodities were severely discommoded for a number of months in mid-2020 due to shipping and storage disruption for physical traders, and "risk-off" positioning for financial arbitrageurs.
- So a better comparison therefore is between the market now and before the onset of the pandemic this time last year and, with the exception of sugar and dairy (which are broadly flat year-on-year), prices for most other agricultural commodities are very significantly higher than pre-COVID levels. The Chicago Board of Trade (CBOT) spot price of milling wheat is up by a fifth, while corn and soya are up by half.
- Because of the lagged effects of forward buying as a means of hedging volatility, these prices have yet to feed through fully into the price of animal feed and plant based food ingredients, and ultimately into retail prices for food products.

Soybean Price (CBOT Futures)





Source: United States Department of Agriculture

Soft Commodities – signs of inflation stirring down on the farm

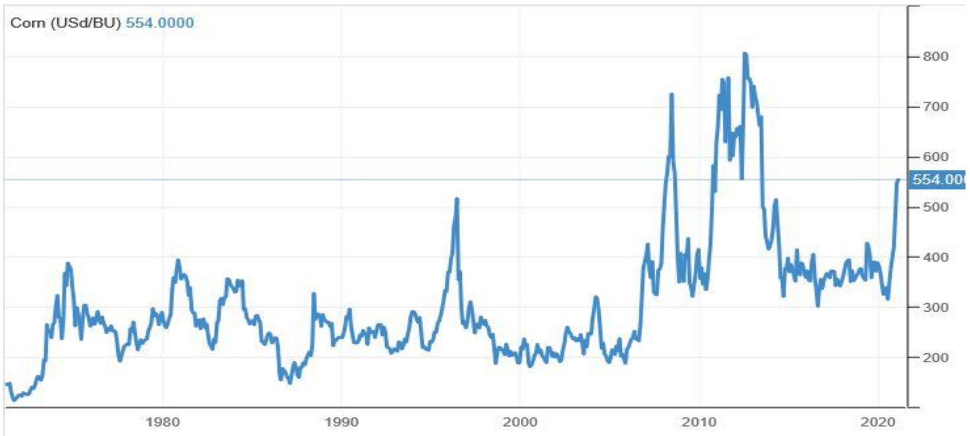
- With wheat, corn and soyabean prices now at levels not seen since 2014, the impact on margins for tillage farmers, livestock farmers and food processors over the next 18 months could be quite significant. In fact, other than the period 2011-2014, and a short period in 2008, these crops are now touching prices that have not been seen for decades.
- So is this yet another speculative bubble caused by the floods of cheap money printing by central banks worldwide, or are there fundamental factors at play like floods of rain, droughts and diseases that normally drive commodity prices? The answer is probably a combination of both.

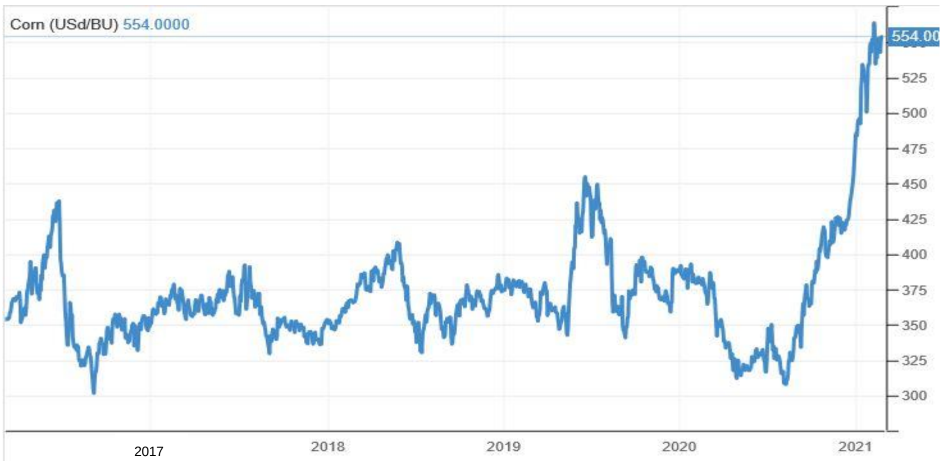
The Fundamentals

The virus

Arguably the single biggest factor driving price volatility over the past two years was indeed a virus – not so much the coronavirus but more the African Swine Fever virus (AFS). This devastating virus swept across the Chinese pig industry from early 2019 and wiped out more than 50% of that nations pig breeding herd. Pork represents about 70% of all meat consumed in China and the country accounted for 50% of global pork output in 2018, the year prior to AFS. Herd destocking reduced China's share of global pork output to about one-third by 2020, in the process wiping out over 60m tonnes of annual animal feed demand (mostly corn and soya). Conscious of the perilous risk of food price inflation, the Chinese government has supported a massive investment programme in developing bio-secure (often multi-storey) intensive pig farms (Genus plc which supplies much of the genetics for these new high-tech farms has seen its share price rise by almost 150%, helped in no small way by this phenomenal demand for new breeding stock). This investment has led to rapid rebuilding of the pig herd and a consequent rebound in demand for locally grown and imported animal feed ingredients, and especially for corn and soyabeans.

Corn (Maize) Price (CBOT Futures)





Source: United States Department of Agriculture

Soft Commodities – signs of inflation stirring down on the farm

Global crop stock levels

Resurgent demand from China in the face of dwindling global stock levels has combined to provide very strong fundamental support for agricultural commodities, most notably corn and soyabeans. The US Department of Agriculture (USDA) projects end of season corn stocks globally to be 15% below 2019 levels and almost 20% lower when Chinese domestic production is excluded. The declines for soya are even more dramatic, at - 25% and -47% respectively versus the end of the 2019 soya season. And compounding the price squeeze even further were strikes by port workers in Argentina, and the imposition of export tariffs by Russia and Ukraine which have diminished grain exports from the important Black Sea region.

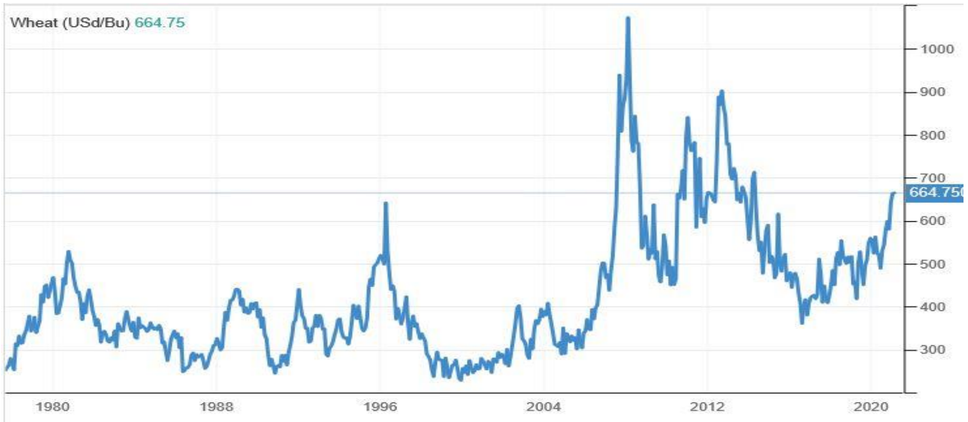
Speculation by financial investors and hedge funds

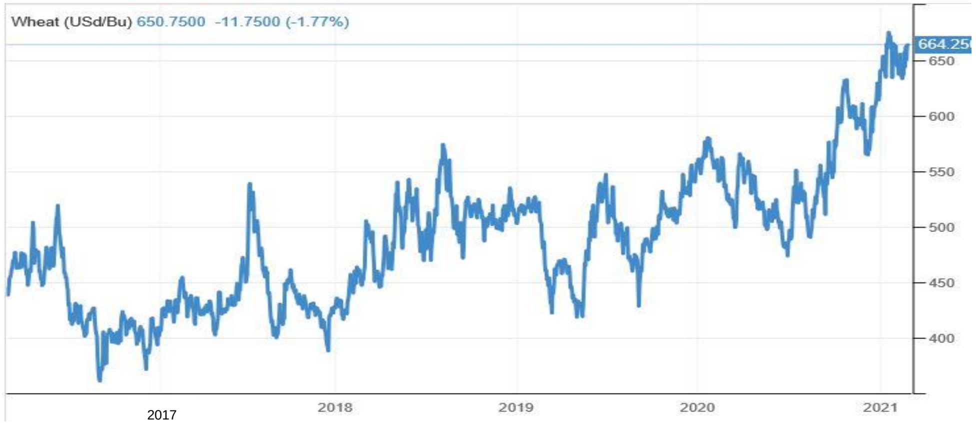
Agricultural commodities futures and options trade actively on exchanges like the CBOT, NYSE's ICE and Euronext's MATIF. MATIF's contract lot is for 50 tonnes, which for milling wheat for May 31 delivery means a single contract is currently priced at €12,000. This week the open interest (i.e. live contracts) was 451,000 which equated to 22.5 million tonnes – more than twice the total 2020 UK wheat crop (which incidentally was the lowest year since 1978, with planted acreage down 25% due to low prices and poor planting conditions). This level of activity in the commodity derivatives market would suggest a lot of speculative activity and is hardly surprising given the low opportunity cost of capital paired with the strong fundamentals of supply and demand mentioned earlier. Euronext data shows that financial investors' (as opposed to commercial users) share of futures markets has gone up from 20% over many years to 45% currently.

Oil price

Historically, soft commodity prices have been correlated with crude oil prices – a factor often explained by increased buying during "times of plenty" by oil-state government agencies. But two other factors also play an important indirect role; gas prices determine the cost of producing nitrogen, which is a key fertilizer input, and crude price levels determine the profitability and therefore production volumes of renewable fuels made from harvestable crop like biodiesel from canola / oilseed rape, and ethanol from corn (over 40% of the US corn crop goes for ethanol fermentation).

Wheat Price (CBOT Futures)





Source: United States Department of Agriculture

Investec Corporate Finance

Soft Commodities – signs of inflation stirring down on the farm

What will be the impact in 2021?

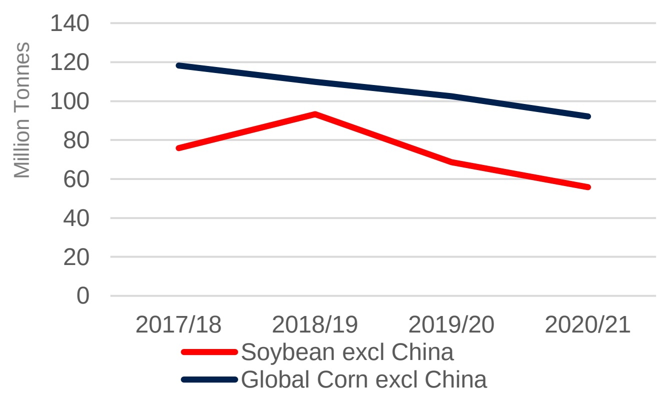
- Stronger markets for commodities should lead to higher farmgate prices, which is clearly good news for arable farmers who have had to endure low prices for the past six years (and good news too for suppliers to the sector like Origin Enterprises, Nutrien, and Yara).

- But increasing crop prices present a challenging outlook for livestock farmers who buy animal feed which largely comprises cereal grains which provide energy and, blended with oil/protein crop extracts, provide protein. Such compound feed increased in price by about 10% in recent months, and looks set to rise by a further 10% in coming quarters (depending on crop yields in the southern hemisphere and new season plantings in the northern hemisphere).

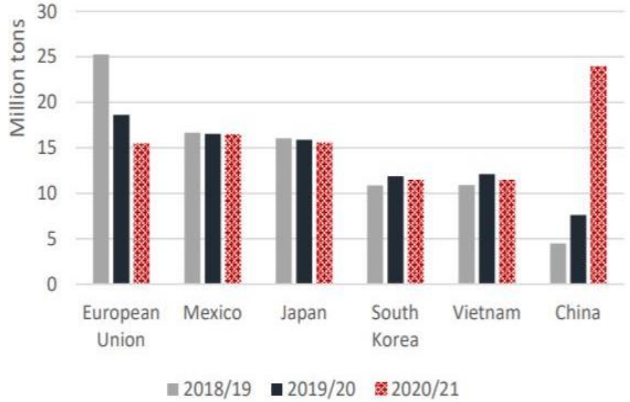
- The poultry industry is normally the first to pass cost increases through to retail and food service customers (this pricing-power stems from the vertically integrated nature of the business and its advanced degree of industry consolidation, with typically just three major producers in each market). A rule of thumb is that €5 per tonne of feed equates to 1 cent per egg, everything else being equal – taking feed price increases of recent months and those anticipated between now and summer, the price of a dozen eggs would be €1.44 higher, an increase of 30%-40%. Chicken similarly.

- But other more fragmented sectors like processed foods, bakery, and pig meat will likely have to suffer margin pressures throughout the supply chain for several quarters due to typical lead-lag effects of pushing price increases through the system. Indeed we hear accounts that many retailers are taking a very tough line on price negotiations in Q1 2021, telling suppliers that they need to recover margin conceded in 2020 when they accepted price increases in the rush to keep shelves stocked, but didn't pass these higher cost prices on in full to the shopping basket selling price. Many food suppliers who enjoyed the twin benefits of bumper volume and wider margins with their retail customers in 2020 may need to prepare for pressure on both fronts in the year ahead.

Soybean and Corn Global Stocks



Top Importers of Corn (Oct-Sep)



U.S. and China Corn Prices

Source: Food Price Monitoring and Analysis Tool, UN FAO

Sources: United States Department of Agriculture, FAO, Trading Economics

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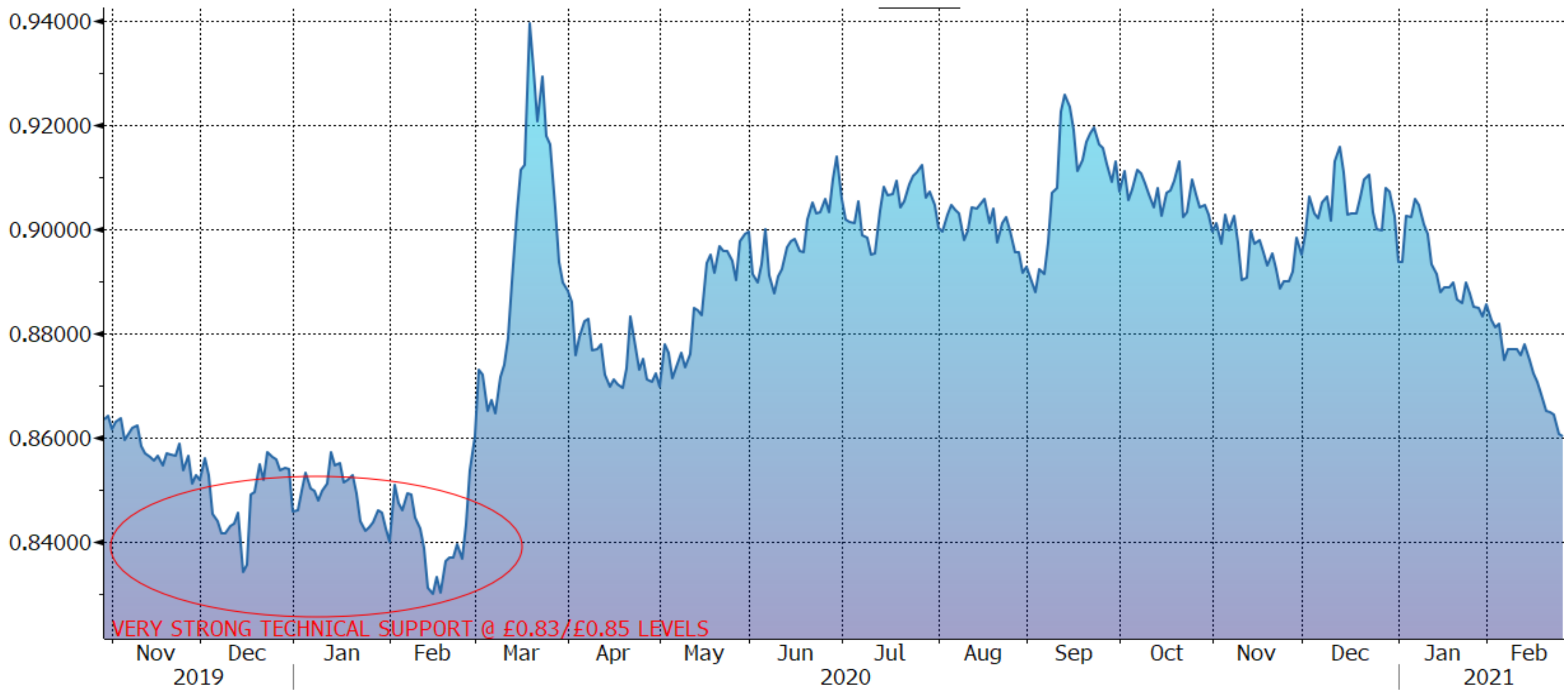
Investec Treasury: Currencies

Sterling gets a shot in the arm

16-month EUR/GBP chart



Source: Bloomberg

- **One-way traffic**: Much to the delight of Irish exporters to the UK and sterling sellers in general, with the exception of a few wobbles, it has been one-way traffic for the pound over the last two months. Much more than its peers in the G10 currency space, historically sterling does not sit well with uncertainty and with all the catastrophic doubt surrounding a possible 'no-deal' scenario, the pound was always going to relish a positive Brexit outcome. After four and a half arduous years, politicians, financial markets and the public alike were all more than content to turn the screeching Brexit din down to a barely audible hum after the EU/UK clinched the elusive deal on Christmas Eve.

cont. overleaf…

Investec Treasury: Currencies

Sterling gets a shot in the arm

- **No neg from the Old Lady**: The always-vigilant Bank of England had been keenly watching the latter parts of the EU/UK Brexit negotiations from the sidelines. They had also been quite vocal in the fact that they were ready to crack open a fresh round of stimulus in the event of a 'no deal' Brexit. As that 'no deal' risk subsided so too did the dovish BoE rhetoric. More crucially for the pound however, the chatter around the BoE introducing negative interest rates as part of any new stimulus plan began to dissipate. Through January and February, some more senior members of the BoE MPC were at pains to stress that the ominous threat of negative interest rates, while always an option, were not to be part of their mandate in the short to medium term.

- **Article 16 debacle**: But no sooner had the bitter EU/UK Brexit acrimony of the previous fifty-four months been put to bed, than they were at each other's throats again. Just over a month later (Jan 29th), as the world gazed on in envy at what was looking likely to be a hugely impressive UK vaccine rollout programme, a visibly disgruntled and terribly ill-advised EU triggered and (wisely) aborted the highly contentious NI article 16 protocol. In what appears now to be a petulant fit of jealousy, the EU had sought to impose the emergency clause to ensure that COVID-19 vaccines had export authorisations to the UK before departing EU factories. Most definitely not the EU's finest moment. As a result, the single currency was sold off across a basket of currencies in the preceding days, taking the EUR/GBP rate below the £0.88 level for the first time in nine months. It appears that the EU were right to be envious; that same UK vaccine rollout programme has turned out to be the third most successful on the planet behind Israel and the UAE. Nearly 28% (18m people) of the UK population have been vaccinated in the last ten weeks. The UK government hit its initial target of offering a vaccine to all those in its top four priority groups by 15 February. This is in stark contrast to most of the EU sovereign nations who have only vaccinated between 5% and 7% of their populace.

- On Tuesday (23rd Feb), the same day that UK PM Johnson pledged that the UK would be free of all COVID-19 related restrictions by late June, German Chancellor, Angela Merkel, warned that any reopening of the German economy should be weighed up with a serious dose of caution. Without doubt, these divergent predicaments are the main reason sterling has rallied nearly 7% to fresh twelve-month highs against the euro (£0.8550).

- Sterling is certainly having its 'moment in the sun' but we wonder how sustainable this will be. In the event EU vaccinations do catch up and we feel they will (sooner rather than later), the current weight of importance attached to vaccine roll-outs will surely diminish. As the UK and the EU economies begin to emerge from their respective level of restrictions and return to some semblance of normality, the current haze surrounding all things Brexit related should also lift. When that happens, a newly isolated, medicinally supported UK may not to be in as healthy a state as it currently appears to be. The average EUR/GBP rate for the last twelve months is currently in/around £0.8950. With that in mind and as per chart above, it would be prudent for sterling sellers to try to take advantage of these very attractive technical levels in the £0.83/£0.86 region.

Investec Treasury: Commodities

A polar vortex and a drop in US inventory drive oil prices higher

Brent Crude Front Contract

Source: Bloomberg

- Brent crude oil has continued higher, touching a high of $66.80/barrel this month. The latest leg upward has been driven by the polar vortex that originated above the US-Canada border but stretched into Texas. Texas accounts for around 40% of US crude oil production and 25% of its natural gas production. The temperatures experienced last week were the lowest in over 30 years, with some areas even breaking century-old records.

- At its worst, oil production was reduced by as much as 4million barrels/day. The effect of the freezing temperatures on production is likely to be short-lived, but there has also been a demand side effect with fewer drivers on icy roads. Refineries too have been impacted with reduced pipeline flows and power outages but it is hard to be sure what the overall effect will be. We saw a significant fall in US inventory numbers last week of 7 million barrels helping to keep price higher.

- OPEC are meeting again next week. Going into the meeting we have the usual argument between Saudi Arabia and Russia – Saudi wants to be cautious whereas Russia wants to increase output. The Saudis will say that the market has been helped by their extra unilateral cut but they won't want to stick with that if others increase production. If the Saudis do increase production by 1 million barrels/day and others also follow suit, it will knock market confidence.

- In other news Iran has reached a compromise with the UN's weapon inspection team which could be a positive sign in ultimately restoring its oil production. Iran had been threatening to stop weapons inspections unless US sanctions were lifted, but has decided to allow them to continue for three months. Iran had been complying with its side of the bargain, whereas it was Trump that pulled out unilaterally. With the new administration in the US, Iran clearly sees there is a possibility of negotiation and Biden has been clear about this. Interestingly Iran will be attending the next OPEC-plus meeting of the Joint Ministerial Monitoring Committee ahead of the OPEC meeting, even though it is exempt from cuts. Restoration of output in Iran will be a headache for OPEC as it could add 2 million barrels/day, although it could take a while.

Investec Private Finance Ireland Limited

High-end residential property market

- The residential property market over €2M is our preferred space to lend into at present alongside well located CRE.
- It is encouraging to see the following residential sales noted on the property price register for 2021 YTD.

€2.8M Belmont, Kerrymount Avenue, Foxrock
€2.5M Glenart, Richmond Avenue South, Dartry
€3.5M 5 Temple Villas, Rathmines
€5.0M, 27 The Barrington, Lansdowne Place
€5.8M High Cross, 40 Temple Road, Dartry
€2.8M 7 De Vesci Terrace, Monkstown
€2.3M 63 Sydney Parade Avenue, Sandymount
€2.0M Sandycove Lodge, Dun Laoghaire
€3.1M 7 Palmerston Park, Rathmines
€2.5M 43 Sandymount Avenue, Sandymount
€2.8M 63 Park Avenue, Sandymount
€2.3M 60 Nutley Avenue, Ballsbridge
€2.3M 26 The Barrington, Lansdowne Place

- Residential property prices rose for the seventh successive month in December on a m/m basis and, confounding all expectations, prices at the end of 2020 were 2.2% higher than a year earlier. The figures were released by the CSO in the latest RPPI release, the most authoritative record of price changes.
- We have been highlighting the emerging upward pressure on residential prices for some time. Illustrating this positive momentum, all of the 2.2% annual gain came in H2 last year, following a flat outturn in H1. Indeed, the m/m price gain of 0.8% in December was a 30-month high.
- Taking a deeper look at the data, price growth remains stronger outside of Dublin than in the capital (+3.1% vs. +1.2% y/y), although positive momentum has strengthened in both markets in recent months.

Merrion Lodge, 135 Mount Merrion Avenue, Blackrock. Recently brought to market by Knight Frank for €2.25M.

25 Raglan Road, for sale with Lisney asking €3.5M.

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