



22<sup>nd</sup> July 2013

## **EBS and DKM release their latest Affordability Index**

Housing affordability stabilises in the first six months and is currently at levels last seen in the mid-1990s

EBS, today, (Monday, 22 July 2013) releases its latest EBS DKM Affordability Index showing that housing affordability continued to stabilise in the first half of 2013. The proportion of net income required to fund a mortgage for the average first-time buyer working couple nationally was 13.9% in May, down substantially from the peak of 26.4% at the end of 2006. The corresponding percentage of net income required to fund a mortgage for a single person, nationally, stands at 27.9%, while for a first time buyer couple in Dublin it stands at 16.9%

Although housing affordability levels have remained stable in the first half of this year, affordability has actually disimproved from the levels seen at the end of last year, due to a number of negative developments including the removal of mortgage interest relief for first time buyers. However, first time buyers who purchase a home in 2013 are exempt from paying the Local Property Tax until 2016.

Director at DKM Economic Consultants, Annette Hughes, said: "Housing affordability has remained stable throughout the first six months of this year and the good news for potential buyers is that it looks to remain relatively stable for the remainder of this year. With reports emerging of an increase in activity amongst financially secure home owners keen to trade up in the market, this is also good news for first-time buyers, who are required to complete the house purchase chain. Recently, a cautious optimism has been gaining momentum that the Irish property market has turned a corner in certain parts of the country. These locations tend to be the centres of major population with an active employment market where demand is recovering and rents are rising. Indeed some are reported to be experiencing shortages of three and four bedroom properties. However, unemployment rates, mortgage arrears and negative equity are also all central issues to ensuring the recovery is sustained in the medium-term."

EBS Head of Mortgages, Conal Clerkin said: "Further evidence of stabilisation in affordability will encourage those wishing to purchase a home to seek mortgage approval. From our own experience, we have seen subtle signs of growing activity with an increasing number of mortgage enquiries, multiple customer applications for the same property and a reported shortage of properties in certain areas.

"EBS is determined to play its part in supporting the mortgage market and has a €400 million fund in place to lend to those who wish to purchase their first home, those seeking to move home and anybody considering home improvements. We also have a negative equity trade up mortgage to facilitate those who are in homes that are no longer suitable for their needs. EBS has a competitive rate of 3.99% for new mortgage business and can sanction any mortgage application within a short time frame. In addition to providing credit to the mortgage market, we are proactively talking to potential homebuyers through mortgage seminars attended by over 1,000 people throughout the country, taking them through the mortgage process from beginning to end."

EBS is providing the following support for customers:

- Dedicated mortgage advisors in our 79 branches nationwide
- Over 1,000 potential homebuyers have attended EBS mortgage information evenings throughout the country
- Comprehensive mortgage guides, with information on preparing to buy to making an offer on a home
- A specific mortgage section on [www.ebs.ie](http://www.ebs.ie), providing support, advice and tools
- Money advisors to help those seeking to put a savings plan in place for a future purchase
- Competitive mortgage products at a Loan To Value (LTV) of up to 92%

The latest EBS DKM Affordability Index can be found at [here](#) or [www.dkm.ie](http://www.dkm.ie)