

Residential building boosted by one-off house developments

By Donal Buckley
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One-off house building is not declining as much as developer house construction activity. Consequently, the level of house completions may not fall below 45,000 as some commentators are predicting. Estate agent CB Richard Ellis (CBRE) is sticking to its forecast of 50,000 completions this year, because it believes that one-offs could account for between 30 and 35pc of those built (or about 17,000 houses).

CBRE economist Patrick Koucheravy says that one-off housing now comprises 58pc of residential building in Galway county -- an increase from 43pc last year. In Mayo, one-offs accounted for 47pc of house building last year and this year they exceed 50pc. In counties Leitrim, Sligo and Roscommon these house types have also increased their share of the supply, accounting for more than 40pc of housing output in the first part of 2008.

"There are some outer commuter villages near Galway city with rows of unsold estate houses while across a few stone walls construction continues of new homes each different from the other and each one further from the village centre," he says.

The properties are being built by people generally older than first-time buyers who can obtain funding or who already have the capital and prefer to invest in a home of their own design, possibly on land willed or gifted to them. The sites are in sought-after coastal locations.

Interestingly, the cities of Dublin, Cork, Limerick, Waterford and Galway have also seen active one-off building, helped by the increased development of detached houses on corner sites which were previously part of semi-detached properties. In the city council areas of Dublin, Cork and Galway, their share of the house building activity increased from 5pc to between 6pc and 7pc over the last 12 months. In 2006 there were 561 one-offs built in the city council areas of these cities of which 426 were in Dublin and 72 in Cork city.

"With markets characterised by volatility and nervousness, and with credit difficult to obtain, it remains unclear how long this trough in the property cycle will last, but if the Government is serious about densification and its long-run benefits for Ireland, a review of proposals with regards to one-off housing is needed," Mr Koucheravy adds.

- Donal Buckley