

The Irish Economy

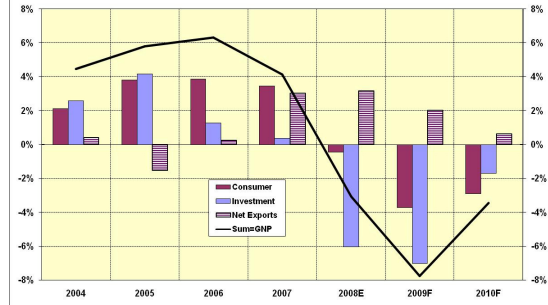
Presented by
Pat McArdle



21 Jan 2010

Construction was big in ROI

Contributions to GNP

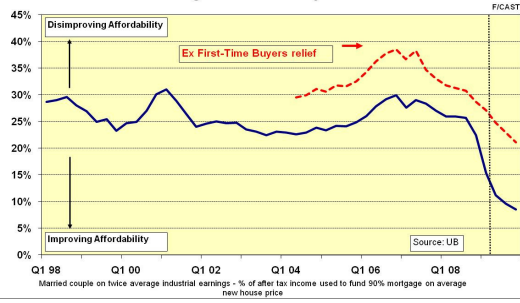


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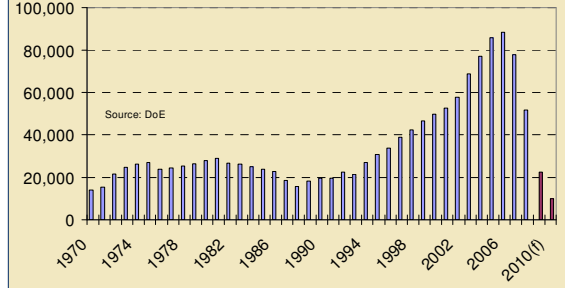
Rising interest rates ended the ROI boom

Housing Affordability Index



The property market correction has been severe

Irish House Completions

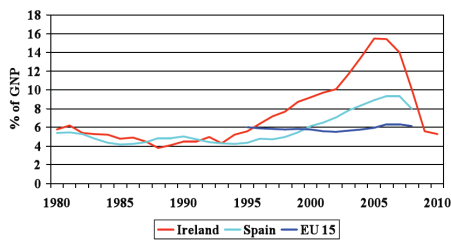


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100k new houses a year was not sustainable

Housing Investment

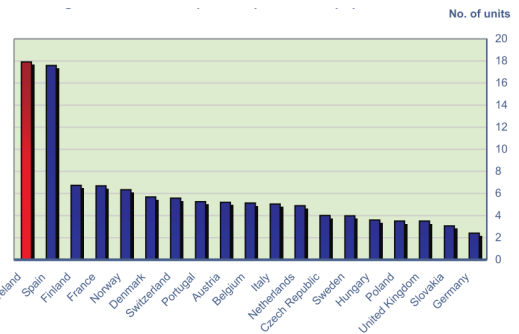


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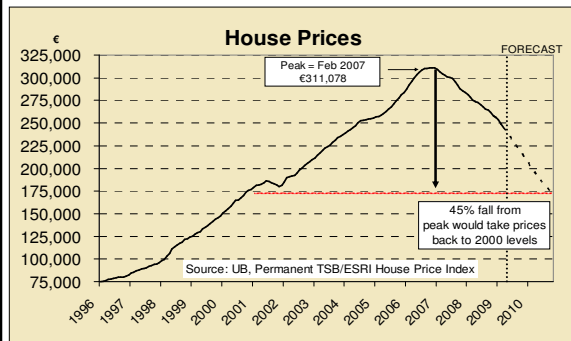
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Source J FitzGerald

House completions per 1,000 pop 2007



House prices up 280%, down 32%(?) so far...

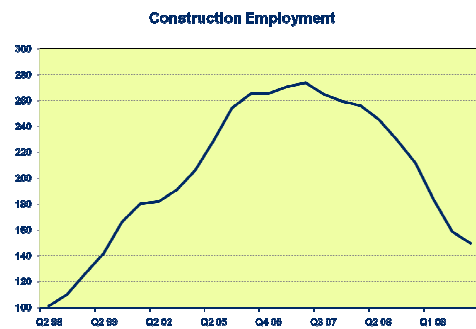


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Source UB

Construction employment back at 99 levels



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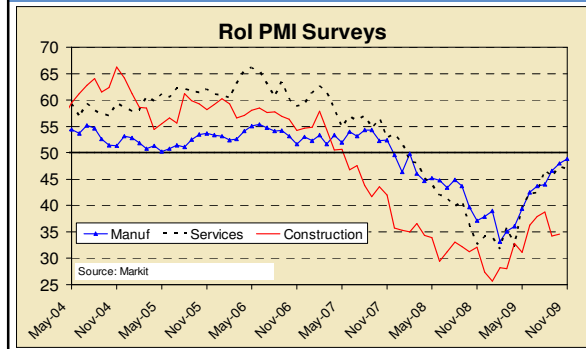
Construction employment down 42%



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Construction activity still well under water



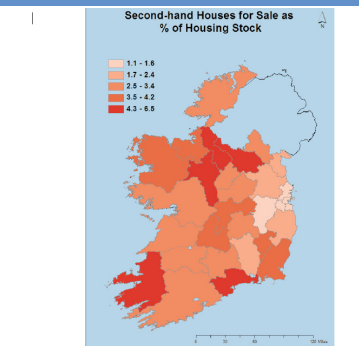
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Vacant Housing Stock = 4 years supply?

Unoccupied April 2006	266,682
Unoccupied June 2009	317,085
Holiday Homes	73,476
Adjusted vacant houses	243,609
"Normal" vacancies	106,177
Market overhang	137,432
Of which "new"	50,403
"old"	87,029
Unfinished	?
Years' Supply	4+

Excess is unevenly spread



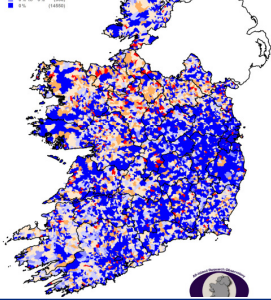
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Source Goodybody Stockbrokers

Excess is unevenly spread

% of Housing Vacant per Small Area
Housing development post 2005

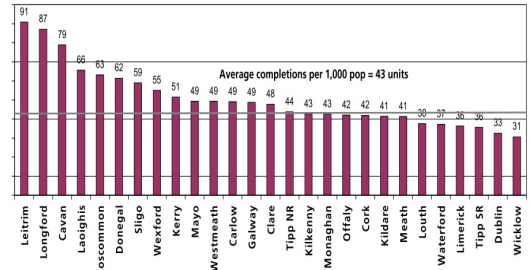


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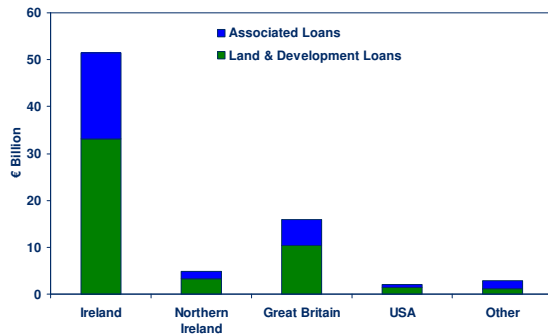
Source IrelandafterNAMA

Completions per 1,000 pop by county Q2 06 – Q4 08



Source: DEHLG, CSO

Some NAMA loans in NI



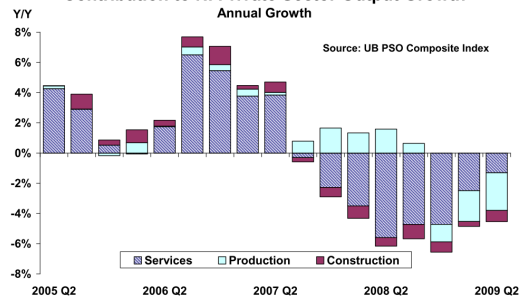
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Source CBRI

NI construction less important for growth

Contribution to NI Private Sector Output Growth Annual Growth



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So jobs impact less severe also

NI & UK Annual Employment Growth



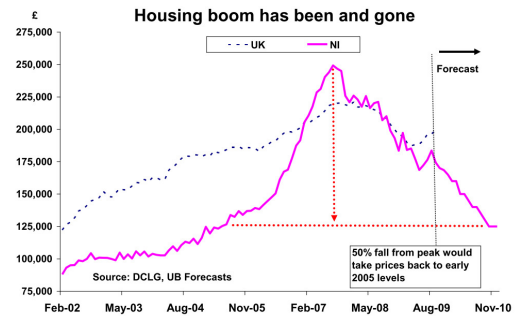
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But you can't say the same about prices

Housing boom has been and gone



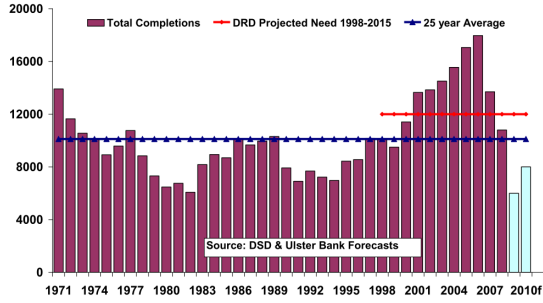
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The supply overhang, too, is less daunting

NI Housing Completions



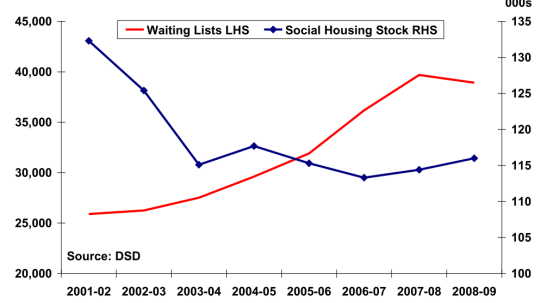
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And could be absorbed by social housing

Social housing demand is rising but supply is falling



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