

# Q3 2024 Rent Index – Key Findings

Dr. Rachel Slaymaker – Research Officer, ESRI

# What is the Rent Index?

The purpose of the Rent Index is to measure developments in the prices faced by those in **new and existing tenancies** in the private rental sector.

It consists of two indices that both have large sample sizes – the only comprehensive data source on quarterly developments for both new and ongoing tenancies.

## ❖ New Tenancies Index (Q3 2007-present)

- Measures developments in prices by those taking up new tenancies & covers:
  - New tenancies in existing rental properties.
  - New rental properties never let before.
  - New tenancies in properties not let in previous 2 years.

## ❖ Existing Tenancies Index (Q2 2022-present)

- Comparable indicators for ongoing tenancies of at least 1 year in duration.

# Rent Index vs Property Level – when to use each tool?

## Rent Index Indicators:

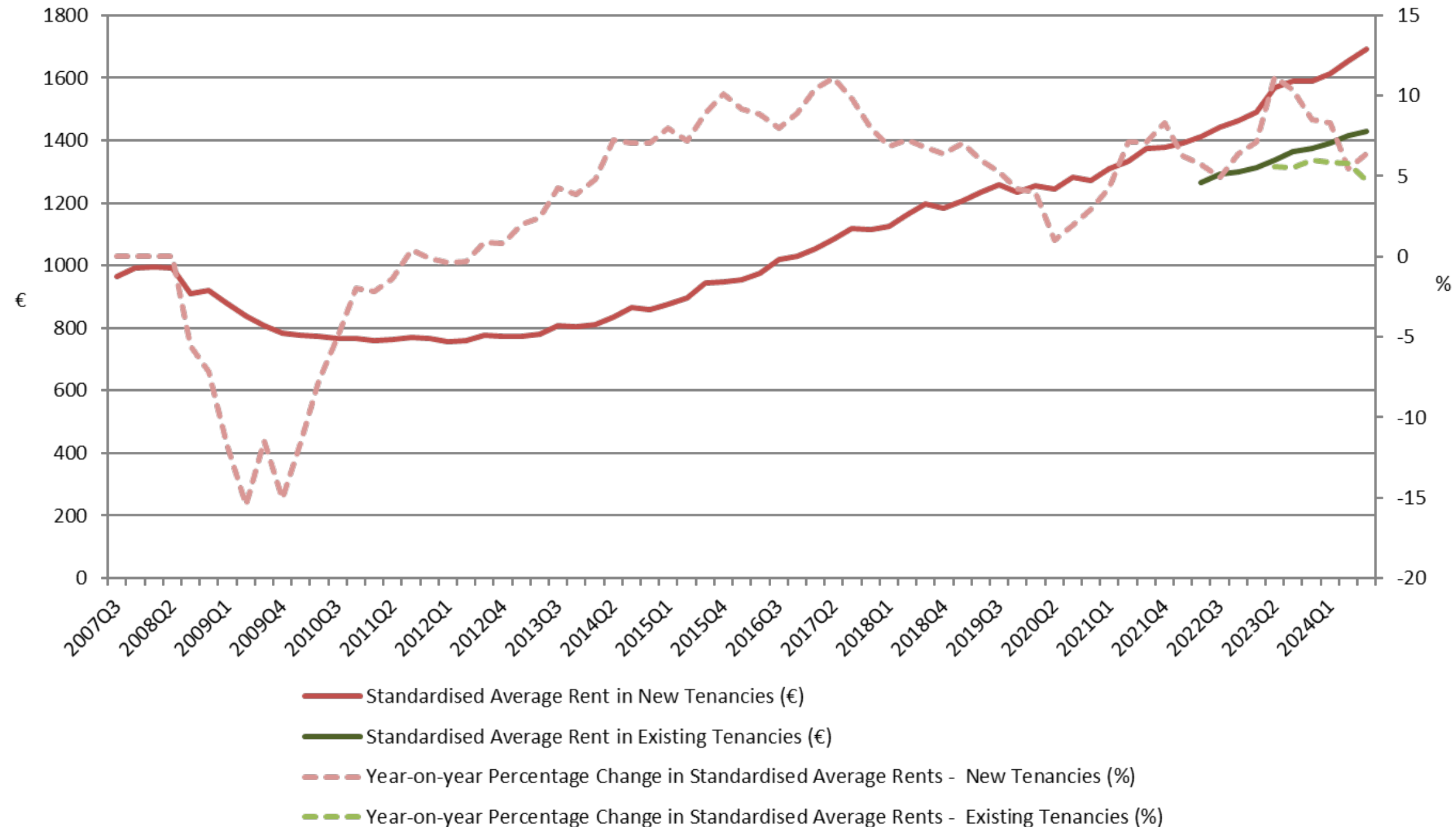
- Crucial market level indicators – tell us how (standardised) average rent level in the market has changed from one year to the next
- Impacted by **both** individual property rent changes **and** churn in the market (property entry & exit plus movement between new and existing segments)
- Large sample sizes – most comprehensive picture of average rents for new and sitting tenants
- But sample of properties differ every quarter – DO NOT track individual property rents
  - So cannot inform us about how households experience changes in rent
- **Because of churn - would not expect Existing Tenancies Rent Index to grow in line with individual properties' growth**

## Property Level Analysis:

- Tracks individual properties over time – average rent changes seen by households, how many above 2% etc.
- More useful for understanding impacts of RPZs
- See Slaymaker, Kren & Devane (2024) [An assessment of property level rental price growth in Ireland](#)

# Q3 2024 New & Existing Rent Indexes – National

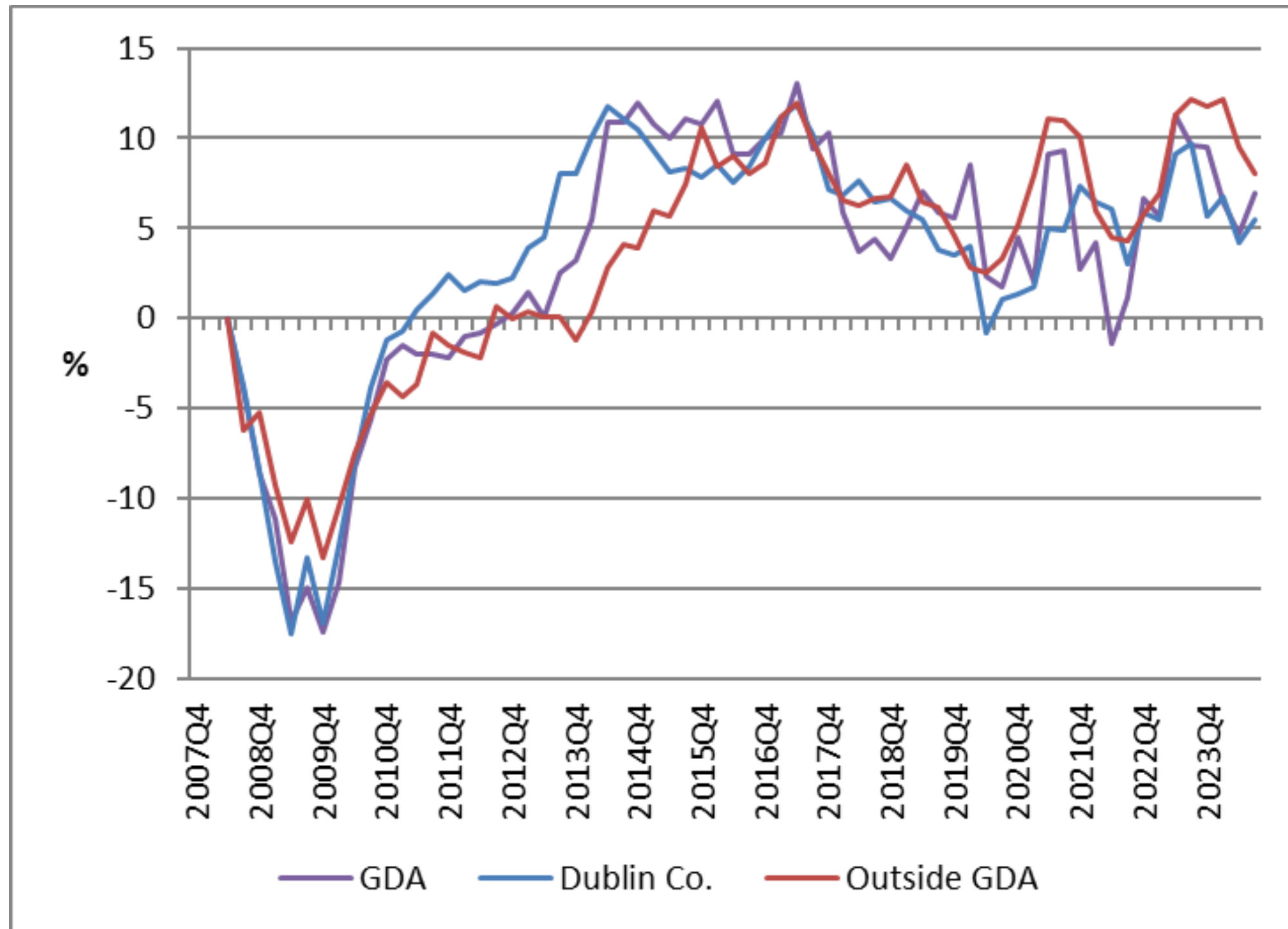
Evolution of Standardised Average Rent & Y-o-Y % Change New & Existing Tenancies



- Average rent in new tenancies was €1,693 in Q3 2024, €264 or 18.5% higher than average for existing tenancies (€1,429)
- Average rent for new tenancies rose 6.4% in the year to Q3 2024, slightly up on Q2, but down from much higher rate seen one year ago (10.4%)
- Average rent for existing tenancies up 4.7% year-on-year
- 14,808 new tenancies in Q3 2024 sample
- 49,163 existing tenancies in Q3 2024 sample

# Q3 2024 New Tenancy Rent Index – Regions

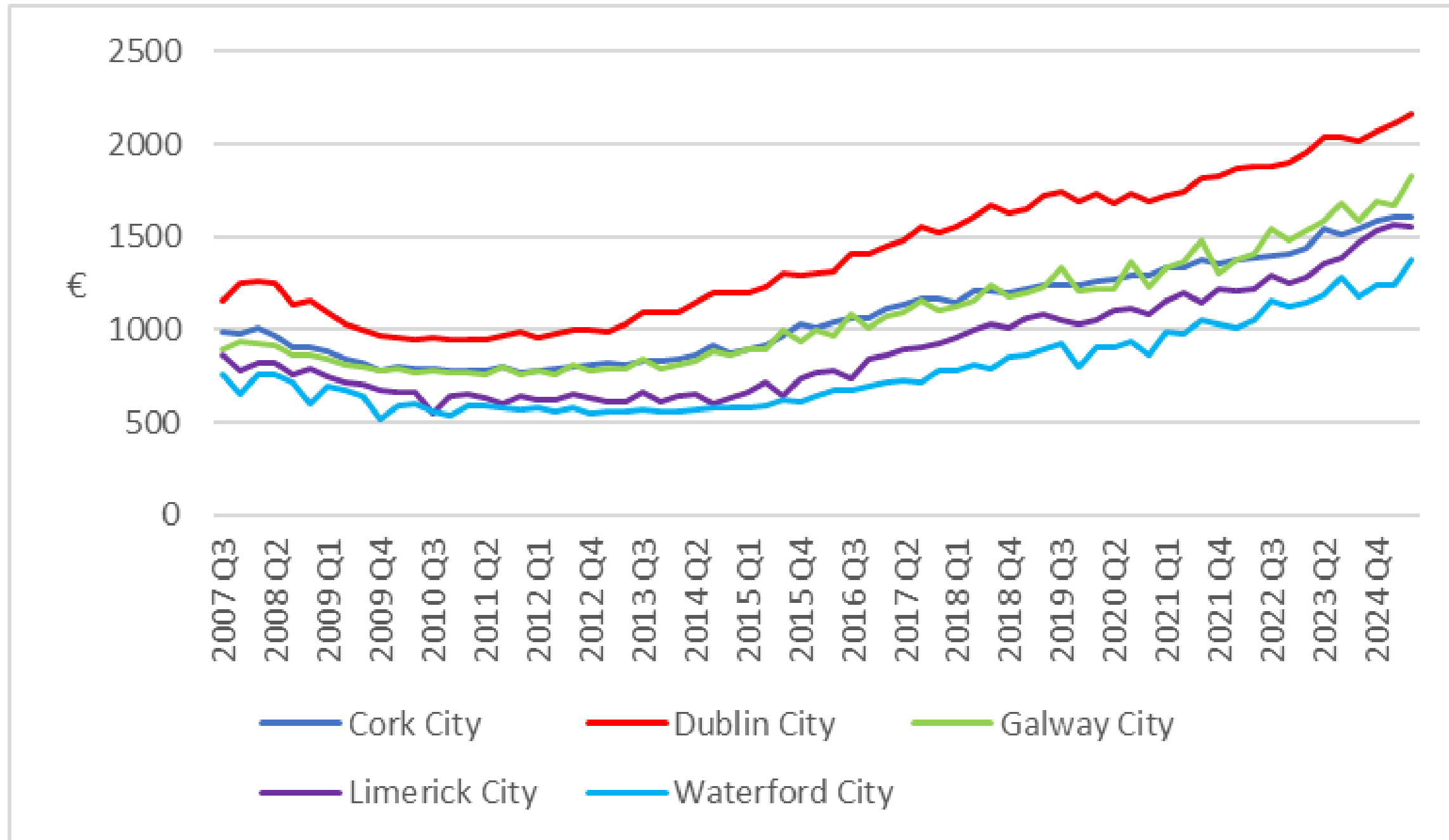
New Tenancy Annual Rent Inflation - Regions



- In Q3 2024, the standardised average rent for new tenancies was:
  - €2,226 in Dublin.
  - €1,656 in the GDA (excluding Dublin).
  - €1,346 Outside the GDA.
- Inflation remained highest Outside GDA at 8% in Q3 2024, but down from high of 12.2% in Q1
- 5.4% in Dublin and 6.9% in the GDA (excluding Dublin)

# Q3 2024 New Tenancy Rent Index – Cities

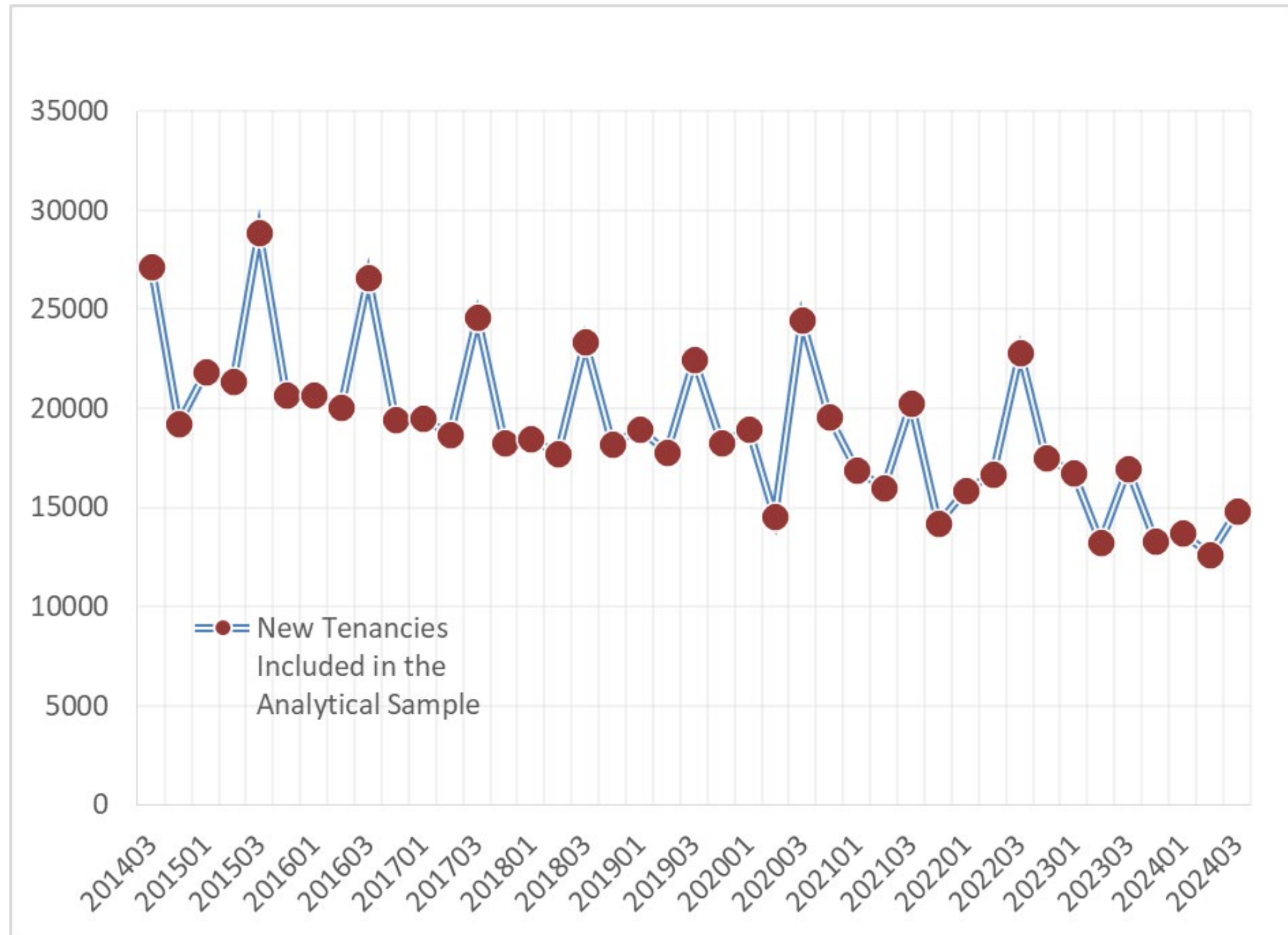
New Tenancy Standardised Average Rents - Cities



- In Q3 2024, the standardised average rent for new tenancies was:
  - €2,162 in Dublin City
  - €1,826 in Galway City
  - €1,602 in Cork City
  - €1,556 in Limerick City
  - €1,380 in Waterford City
- Annual increases in the average rent for new tenancies ranged from 6% in Cork City to 12.2% in Limerick City in Q3 2024
- Annual increases in the average rent for existing tenancies were lower in all cities, ranging from 2.6% in Cork City to 5.0% in Limerick City in Q3 2024

# New Tenancy Numbers – Change in Traditional Seasonal Patterns

Evolution of New Tenancy Sample Numbers Q3 2014 – Q3 2024



- Q3 traditionally a period of high turnover in the PRS – linked to start of academic year
- Have typically seen big spike in new tenancy commencements in Q3
- Pattern much less evident in 2023 & 2024
- Indicates far less turnover in the market
- Note falling numbers of new registrations over time DO NOT tell us anything about overall size of PRS

# Key Takeaways – Q3 2024 Rent Index

- National standardised average rent for new tenancies: €1,693, €264 or 18.5% higher than for existing tenancies (€1,429)
- Standardised average rent for new tenancies rose 6.4% in the year to Q3 2024, slightly up on Q2, but down from much higher inflation rate seen one year ago (10.4%)
- Growth in standardised average rent for new tenancies remains highest Outside the GDA, but this has fallen compared to recent quarters
- Q3 traditionally a period of high turnover in the PRS - previously seen Q3 spike in new tenancies much less evident in both 2023 and 2024, indicating lower turnover
- Nationally, the standardised average rent for existing tenancies grew 4.7% y-o-y – series still in its infancy, but lowest so far