

Property Bidders Increase Steadily Month-on-Month

The number of bidders per property has steadily increased month on month, according to Offr, Ireland's most used property transaction platform, who have released real-time data on the property market for the first time.

The data collected from January to June 2021 has found that there were an average of three registered bidders per property in January, compared to an average of six in June. 336 property transactions nationwide were analysed, where 1,759 prospective buyers placed 5,036 registered offers over the past six months.

336

transactions analysed through Offr from Jan-June 2021

Total Value

€126 million

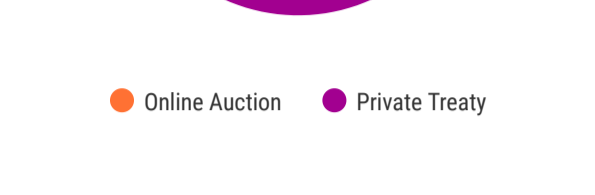
Average Transaction Value

€380,000

Method of Sale

Reflecting the broader Irish market, the majority of properties were sold by Private Treaty. This means that offers were conditional (e.g. subject to mortgage, or the sale of a property, or indeed were cash offers) and accompanied by proof of funds.

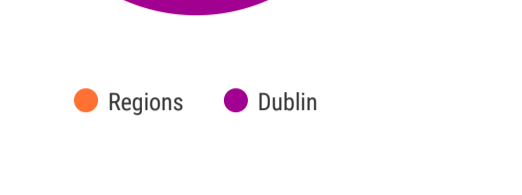
There followed a sale agreed period prior to exchange of contracts. Where auction was used, bids were unconditional and followed immediately by exchange of contracts at the end of the timer.



Location

Over half the properties were in Dublin, with the remainder in other regional cities and towns.

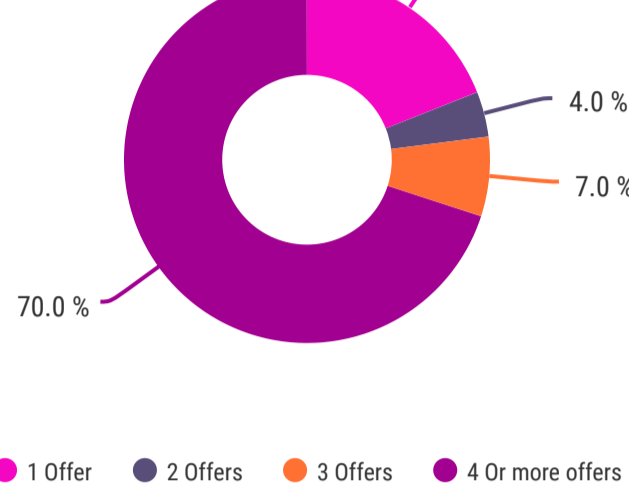
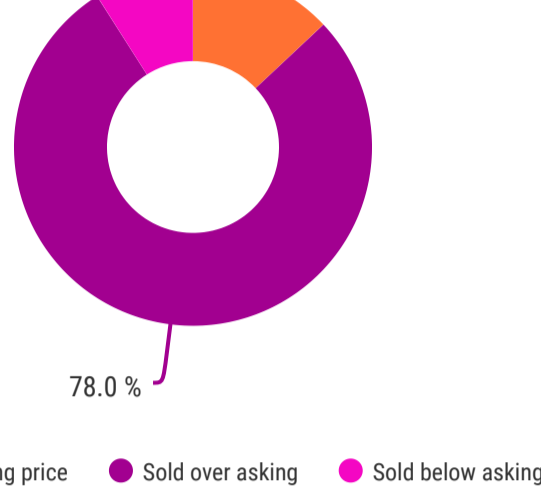
The Offr platform has been used primarily by estate agents in urban areas, although there is a steady increase in the number of rural agents signing up.



Sale Prices

As a clear demonstration of the current imbalance between supply and demand in Ireland, 78% of properties sold above asking price. This was despite bidding being restricted to legitimate, genuine, approved buyers only.

16% of properties sold to a single buyer with a single offer, negotiated with the estate agent and processed through the Offr system. However, the majority of properties saw multiple offers, with 15% of properties seeing more than 30 offers submitted. The average number of offers per property was 15.



15 offers per property on average

15% of properties had over 30 offers

78% of property sales conducted by estate agents through the platform exceeded the asking price while just 9% of properties sold below the asking price. The gap between asking price and selling price is 14% to 15% on average. This is a strong indication of the present imbalance between supply and demand in the market.

Buyers

All prospective buyers self-registered using the Offr button on the estate agent's website, updating Photo ID and were subsequently approved by the agents prior to bidding.

For Private Treaty properties, proof of funds were also required, and for Auction properties a refundable (if unsuccessful) bidder security deposit was processed using Offr's payment gateway (powered by Stripe).

1759

total number of bidders

5036

total number of offers made

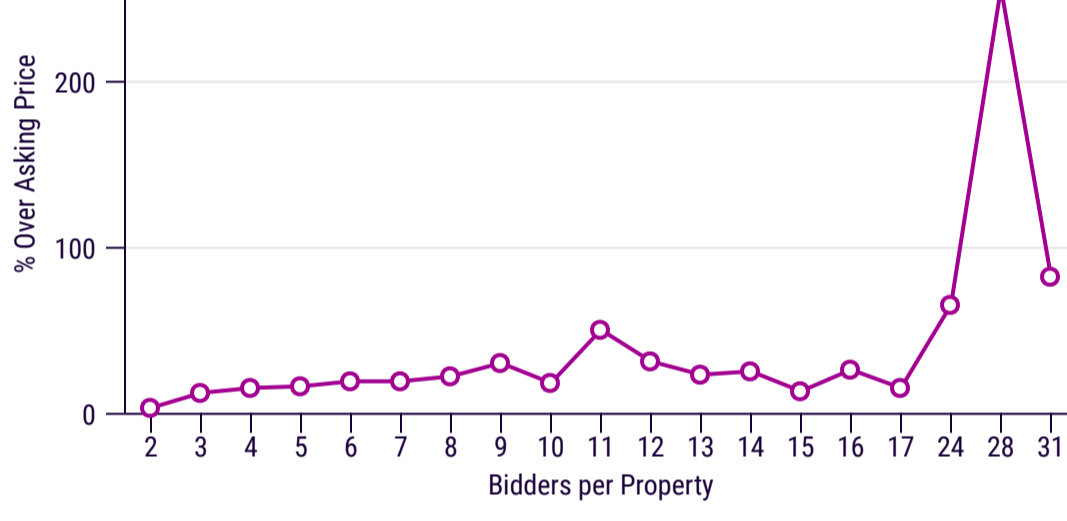
2.9

average number of offers per bidder

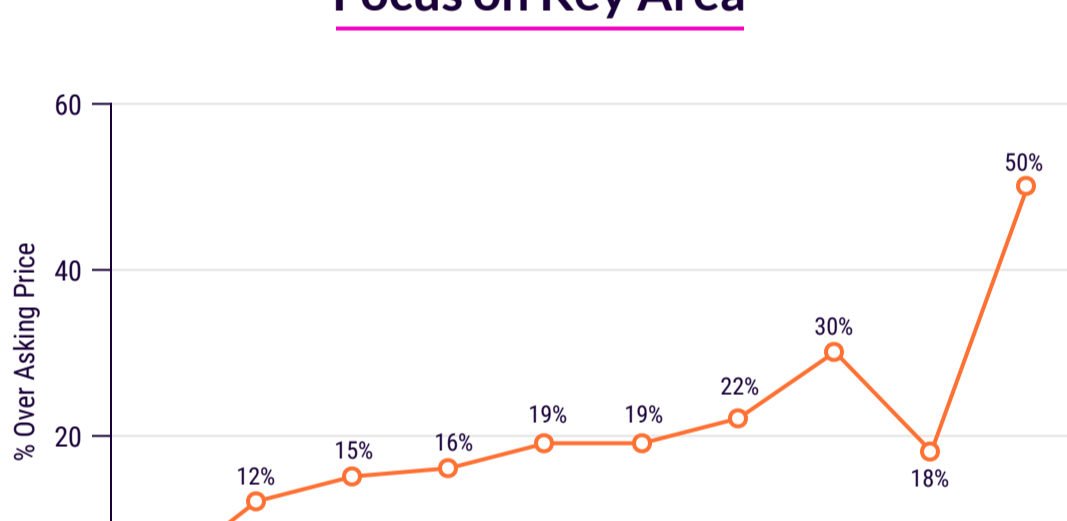
Performance

A strong correlation was seen between the number of bidders and the sale price achieved, when compared directly to the asking price. This is the first time the market has seen such data, as existing market reports only analyse asking price movements (from property portal websites) or sale price movements (from the Property Price Register)

Correlation of Sale Price & Number of Bidders



Focus on Key Area

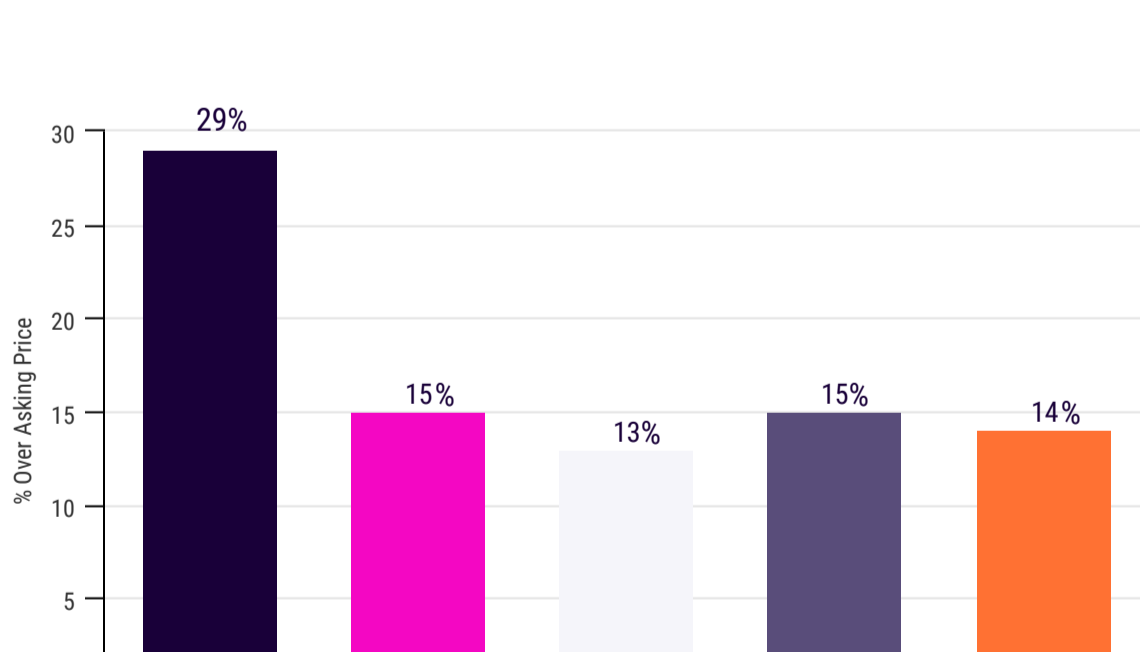


Bidders	Over Asking
2	3%
3	12%
6	19%
9	30%
11	50%

There is a linear correlation between the number of bidders and the final sale price achieved. Properties with two to three bidders sold for 3% to 12% over the asking price. Six to nine bidders saw sale prices achieved at 19% to 30% over the asking price.

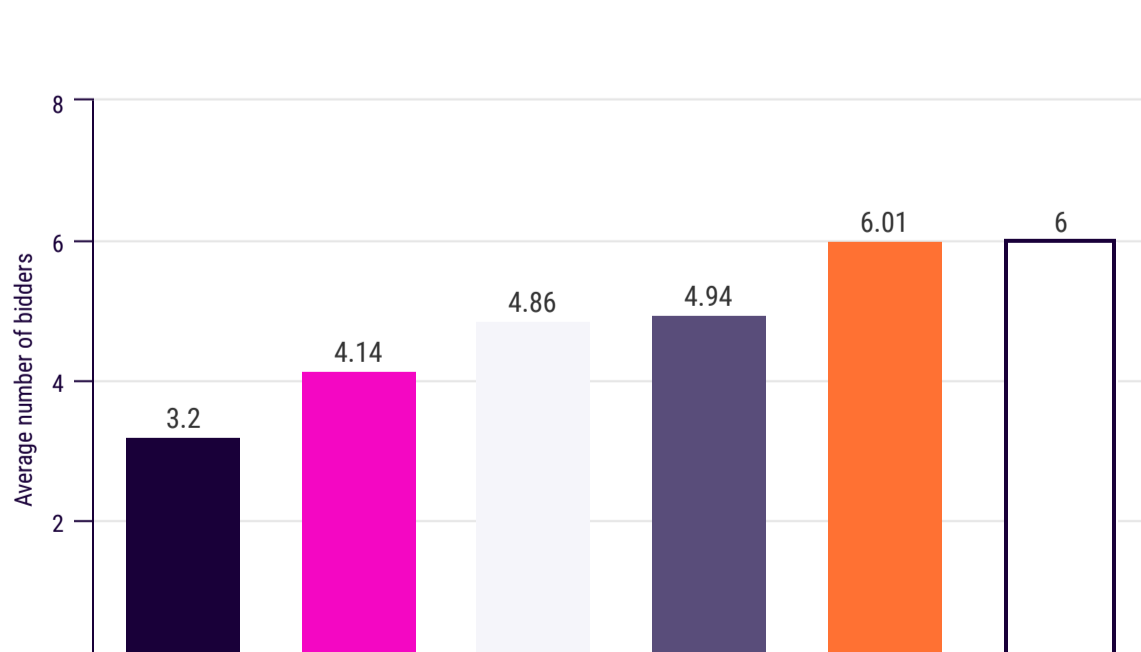
Value Bands

With the exception of the sub-€100k category, the percentage over asking price achieved was fairly consistent across all value bands, landing between 13% and 15%. The affordability of the sub-€100k bracket naturally fuelled a higher premium over asking price.



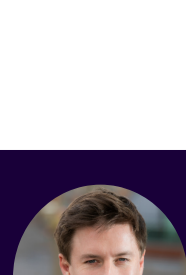
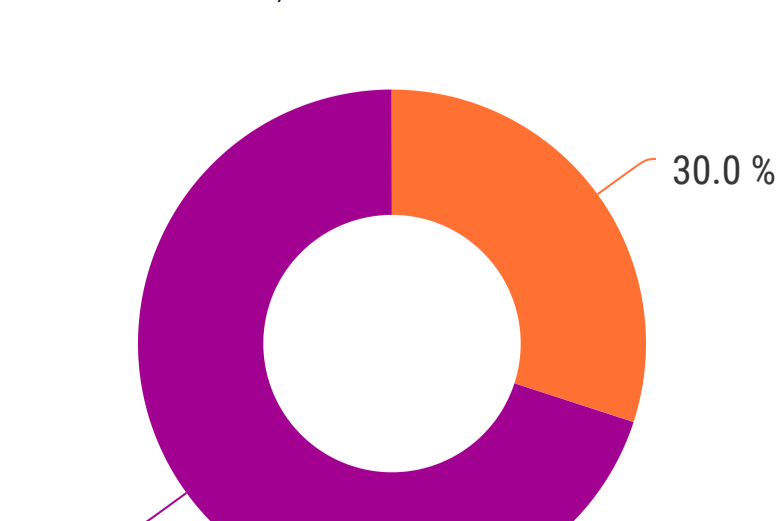
Month-on-Month

Perhaps most revealing is the trend emerging when tracking activity and performance over time. Demand steadily climbed from an average of 3.2 bidders per property in January to 6 bidders in June. This coincided with the slow reduction of lockdown restrictions, with agents able to start physically showing properties to prospective buyers, and people looking to finally make their intended, but much delayed, purchase. What is evident is that the supply of properties to the market, both second hand and new, has not kept up with the rapid increase in demand.



Funding Profile

Through analysis of the funding position of prospective buyers, Offr has been able to reveal the proportion of cash buyers vs mortgaged buyers. The high rate of 70% of buyers availing of finance is indicative of the increased activity in bank lending, despite the early freeze in mortgage drawdowns immediately after the first lockdown in 2020.



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