



The Central Bank (“the Bank”) is maintaining the countercyclical capital buffer (CCyB) rate on Irish exposures at 1.5 per cent. Today’s announcement reflects no change to the Bank’s policy stance for the CCyB. The Bank’s strategy considers a CCyB rate of 1.5 per cent to be appropriate when cyclical risk conditions are neither elevated nor subdued.¹

Maintaining the CCyB rate at 1.5 per cent is appropriate in the context of the current macro-financial environment. There is considerable uncertainty surrounding the domestic outlook and downside risks to Ireland’s economic outlook have increased due to geopolitical risks. Conversely, the domestic economy continues to face overheating risks, although excessive consumer price and wage inflation have not materialised to date.² Evidence of capacity constraints have been most evident in the housing market where price growth accelerated over much of 2024 with price growth remaining high given the ongoing imbalance between demand and supply. The final months of 2024 saw emerging signs of stabilisation in the domestic commercial property market although the Dublin office vacancy rate remained high. Since the last review, there has been a further uptick in credit growth, alongside a softening in commercial interest rates. The first-time buyer mortgage market remains particularly robust. Conditions in the domestic banking sector remain broadly consistent with profitability remaining strong, although there may be declines in the period ahead given lower rates. Balancing these considerations, the Bank is maintaining its existing CCyB policy stance.

The Bank will continue to monitor developments closely. The CCyB could be increased above 1.5 per cent were the Bank to deem that cyclical risks reflect emerging imbalances or were elevated. On the other hand, having the CCyB in place provides scope for its release, should it be required in response to a materialisation of risks. Future CCyB rate decisions will be based on macro-financial conditions in a manner consistent with the Bank’s strategy for the CCyB.

¹ For further information see [the Central Bank’s framework for macroprudential capital](#) and [CCyB addendum](#).

² See [Quarterly Bulletin Q4 2024](#).