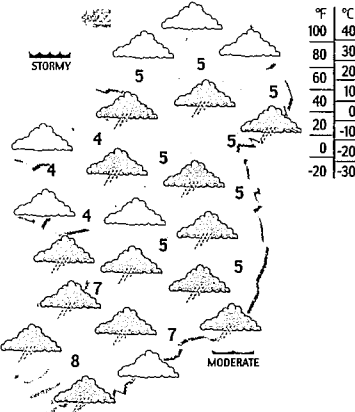


Weather forecast



Summary: Mainly dull. Rain.

DUBLIN: Cloudy and dull with overcast skies and occasional spells of rain. Light winds. Max 5c (41f).

WATERFORD: Outbreaks of rain look set to peter out. Brightness developing for a time. Max 8c (46f).

CORK: Some bright spells, but clouding over at times with rain breaking out. Max 8c (46f).

TRALEE: Wet through the day, though some sunshine will break through for a time. Max 9c (48f).

LIMERICK: Cloudy and wet with spells of rain. However, some intervening brightness is likely. Max 7c (45f).

GALWAY: Cloudy for much of the day with little sunshine breaking through. Wet. Max 5c (41f).

TOMORROW: Cloud and rain will track northeast. To the south, after a wet start, it will brighten up, but with scattered showers.

SLIGO: A grey and wet day with showery outbreaks of rain through much of the day. 4c (39f).

DERRY: A breezy day with brighter spells, but plenty of cloud and occasional rain. Max 5c (41f).

BELFAST: There will be a good deal of cloud around and the chance of rain at times. Max 5c (41f).

BIRR: Fairly cloudy with the chance of a little light rain. Staying mainly dry. Max 5c (41f).

KILKENNY: Rather cloudy and wet at times with showers or longer spells of rain. Max 6c (43f).

WEXFORD: Dull and at times wet with some outbreaks of rain likely throughout the day. Max 7c (45f).

5 day city forecast

	Sat	Sun	Mon	Tue	Wed
Dublin	7c	9c	7c	9c	9c
Belfast	6c	7c	6c	8c	8c
Cork	9c	9c	8c	9c	8c
Galway	9c	9c	8c	10c	10c
Limerick	9c	9c	8c	10c	10c

Europe forecast

weather	c	f	Geneva	weather	c	f	
Amsterdam	Cloudy	6	43	Paris	Cloudy	9	48
Brussels	Fair	7	45	Madrid	Sun	13	55
Frankfurt	Cloudy	7	45	Milan	Fog	10	50
			Rome	Rain	14	57	

Around the world yesterday

weather	c	f	weather	c	f	weather	c	f			
Algiers	Sunny	20	68	Gibraltar	Rain	15	59	New York	Sunny	-6	21
Amsterdam	Snow	0	32	Guernsey	Cloudy	8	46	Nice	Cloudy	14	57
Antwerp	Cloudy	15	59	Helsinki	Snow	-14	7	Nicosia	Sunny	15	61
Barcelona	Sunny	26	80	Hong Kong	Fair	25	79	Oslo	Snow	6	21
Beijing	Fair	6	43	Innsbruck	Sunny	2	36	Palma	Sunny	17	63
Berlin	Sunny	15	59	Istanbul	Sunny	12	54	Paris	Fair	10	50
Birmingham	Sunny	16	61	Jakarta	Showers	7	45	Perth	Fair	25	77
Bombay	Fair	30	86	Larnaca	Sunny	16	61	Prague	Cloudy	3	37
Bratislava	Cloudy	13	55	Las Palmas	Sunny	22	72	Rhodes	Rain	14	57
Brussels	Fair	20	68	Lisbon	Sunny	13	55	Rome	Fair	15	59
Budapest	Fair	11	52	London	Snow	1	34	Singapore	Fair	31	88
Calcutta	Sunny	16	61	Los Angeles	Mist	16	61	Stockholm	Cloudy	-3	27
Cardiff	Fair	5	41	Luxembourg	Sunny	19	66	Sydney	Fair	24	75
Castellon	Sunny	17	63	Madrid	Rain	10	50	Taipei	Rain	14	57
Copenhagen	Fair	3	37	Malaga	Drizzle	16	61	Tel Aviv	Sunny	18	64
Corfu	Sun	13	55	Manila	Fair	17	63	Tenerife	Sunny	21	70
Dublin	Sleet	2	36	Melbourne	Cloudy	11	52	Tokyo	Sunny	12	54
Düsseldorf	Cloudy	12	54	Mexico City	Fair	28	82	Toronto	Sunny	-9	16
Edinburgh	Fair	2	36	Miami	Sunny	23	73	Tunis	Fair	18	64
Edinburgh	Fair	2	36	Montreal	Fair	-1	31	Ulaanbaatar	Rain	8	46
Florence	Fair	14	57	Osaka	Sunny	17	63	Venice	Fair	4	45
Geneva	Fair	7	45	New Delhi	Fair	20	68	Warsaw	Snow	-1	30
			New Delhi	Fair	20	68	Wellington	Fair	21	70	

Ireland yesterday

24 hours to 5pm	Sun (hrs)	Rain (mm)	Temp (C)	Glenanne	Sun (hrs)	Rain (mm)	Temp (C)
Belfast	**	0.00	1	Lough Fee	**	0.00	0
Birr	**	0.20	1	Malin Head	7.3	0.00	3
Castlederg	**	0.00	1	Valentia	0.0	0.57	9
Claremorris	**	0.55	0	Cork	0.0	0.80	2
Clones	**	0.05	0	Kilkenny	**	0.55	1
Mullingar	**	0.24	0	Shannon	0.0	0.94	2
Rossaree	0.9	0.65	3	Dublin	5.8	0.18	0
Knock	0.5	0.63	0	Belmullet	0.3	0.17	1

Moon and Sun
MOON rises: 8.01am, sets: 5.36pm
MOON rises: 12.51pm, sets: 9.42am
SUN rises: Dublin: 7.56am, sets: 5.23pm
HIGHTIDE Dublin: 4.00pm
Cork: 8.57pm

Extremes
(24 hrs to 20pm 'yesterday') Warmest: Valentia, Co. Kerry, 9c (48f). Coldest: Mullingar, Co. Westmeath, 0c (32f). Wettest: Dublin, Co. Dublin, 1.8c. Sunniest: Malin Head, Co. Donegal, 7.3hrs.

ABRDAD (without Weekend) Austria €3, Denmark 22k, Malta 60c; Norway 28k; Switzerland 4.505FR; USA \$2.25.

European Bank hints at seventh hike in 14 months

Homeowners set to be hit with another mortgage rate rise

By Kate Chambré

HOMOWNERS face a new hike in their mortgage repayments after the European Central Bank yesterday signalled a rates rise for next month.

Despite leaving its interest rates unchanged at 3.5 per cent, ECB President Jean-Claude Trichet signalled a likely rate increase in March amid rising concern that new wage agreements and high oil prices will fuel inflation.

Speaking at a news conference in Frankfurt, Mr Trichet said that the bank would exercise 'strong vigilance' on

'Strong vigilance is needed'

possible eurozone inflation risks and specifically cited stronger than expected wage increases.

The ECB has raised eurozone borrowing costs six times in the last 14 months, and the term 'strong vigilance' has been used by the bank each time to flag the rise the month before.

'This is because the bank is worried about the prospect of rising prices as the eurozone economy expands at its fastest rate in six years and borrowing levels climb.

Irish householders, already struggling with higher energy and other household bills, will be hit hard by an increase. Another two hikes

HOW MONTHLY REPAYMENTS HAVE SOARED

Month/ECB Interest Rate	€250,000 Mortgage	€300,000 Mortgage	€350,000 Mortgage
Dec 05: 2.25%	€1101.78	€1322.14	€1542.50
Mar 06: 2.5%	€1136.61	€1363.94	€1591.26
Jun 06: 2.75%	€1172.02	€1406.42	€1640.83
Aug 06: 3.0%	€1208.00	€1449.60	€1691.19
Oct 06: 3.25%	€1244.53	€1493.44	€1742.34
Dec 06: 3.5%	€1281.61	€1537.93	€1794.26
Mar 07: 3.75%*	€1319.23	€1583.08	€1846.92

All monthly repayment figures based on typical 30-year flexible mortgage 1.1% above base rate * Possible future rate

and borrowers with a €300,000, 30-year mortgage will be paying around €300 a month more than when this cycle began in December 2005. The rises have fuelled a slowdown in the housing market, particularly among first-time buyers.

Mr Trichet said: 'On the basis of our regular economic and monetary analyses, we decided at today's meeting to leave the key ECB interest rates unchanged. The information that has become available since our last meeting has further underpinned the reasoning behind our previous decisions to raise interest rates.'

'It has also confirmed that strong vigilance remains of the essence so as to ensure

that risks to price stability over the medium term do not materialise.'

The news from the ECB comes at a time when financial institutions are on the brink of an all-out mortgage war after AIB slashed interest rates for homeowners who have built up equity.

The bank shaved 0.36 per cent off its tracker mortgage for customers who owe less than half the value of their home as they are considered a lower risk.

'Without doubt the other banks are going to follow,' said Frank Conway of the Irish Mortgage Corporation.

Market observers were confounded when the first six months of last year saw a 23 per cent leap in the value of

second-hand houses in Dublin and a 17 per cent rise across the rest of the country.

However, in the third quarter growth slowed to just 2.6 per cent nationally and more acutely in the capital to 1.5 per cent.

The slowdown is now expected to continue as housing supply increases and interest rates rise again.

Meanwhile, an independent watchdog has warned that releasing equity from your home could jeopardise your long-term health needs.

The Financial Regulator's caution came after it found nearly four in ten homeowners older than 50 had considered remortgaging their homes to free up some of the value tied up in the property.

Dublin auctions plummet by 60pc

By Kate Chambré

THE number of houses going under the hammer in Dublin this month has dropped by 60 per cent in comparison with the same time last year.

A mere 27 auctions are to take place in the greater Dublin area this month, which differs greatly to last year when 69 houses were auctioned.

But despite the considerable drop, this year's figures aren't actually that different to those from 2003 to 2005 when an average of 28 houses were auctioned during the month of February.

'It just means that after 2006's housing boom when properties were being sold for

exorbitant prices the number of auctions are returning back to what was considered fairly normal.

Traditionally just a small number - 10 to 15 per cent - of houses reached the auction room in Dublin. It was when house prices began to go through the roof that an increasing number of 'middle of the road' houses were sold at auction.

Keith Lowe, of Douglas Newman Good, admitted 'every homeowner was hoping to get a few people into the auction room to get that bonus price'. The drop in the

number of auctions, however, has led some commentators to predict a downward turn in the overall property market.

They say that while auctions signify only a small proportion of houses on the market, they are a good indicator of the state of the housing sector.

Mr Lowe explained auctioneers are now beginning to become more selective about what properties they put up for auction. He predicted that by the end of 2007 they will be down by a third on last year.

Estate agent Felicity Fox said she believed only properties that 'tick all the boxes' should be saved for auction.



Auctions: Down on last year

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