



The Residential Investment Report

**Greater Dublin Area
H2 2021 and Full Year Review**



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FRONT COVER OF COLLEGE GREEN BY KATHRINA RUPIT

Hooke & MacDonald, in line with the company's support for the arts, commissioned Kathrina Rupit to create this iconic vintage image of College Green, Dublin for the cover of its latest Dublin Residential Investment Report.

Kathrina Rupit was born in Tlatelolco, Mexico City and studied at the University of Visual Arts in Nuevo Leon, Mexico. Kathrina has lived and worked in Dublin for the last few years and has become a vital part of the vibrant street art scene there. As a contemporary artist she has exhibited her artwork internationally in collaboration with galleries, embassies, and non-profit organizations such as Greenpeace, United Nations, Amnesty international, Street art for mankind.

"My artwork is about finding peace, awareness & joy. As a street artist, I have been sharing my artwork painting walls around the globe whilst learning about different cultures which iv later taken on as inspiration, mixing all these experiences together in shapes textures and colors.

Empowerment is my drive, the revolution doesn't start outside, but inside each one of us. I hope my art can provoke a moment of contemplation and even better than that, a smile..."

ACKNOWLEDGEMENTS

Bob Jordan, The Housing Agency; Dr. Brian Hughes; Léan Doody, Arup; Downey Planning; David Browne, RKD Architects; Pat Farrell, Irish Institutional Property; James Benson, IHBA; Daniel Lockley, Deloitte; CSO; Eurostat EY-DKM Economic Advisory Services, GeoDirectory, Irish Cities 2070 Group; The Housing Agency; Colm Lauder, Dermot O'Leary – Goodbody; BPF; ULI; SCS; IPAV; Daft, Myhome.ie, Build Costs AIB; BOI; Ulster Bank; RTB; PWS; CIF; PII; ESRI; DCC; NTMA. Cover artwork provided by Kathrina Rupit. Aerial photos of Dublin courtesy of Dennis Horgan.



1. Market Review

The multi-family/private rented sector (PRS) has been the most active property investment asset class in Ireland for the last 3 years. The sector has grown steadily since 2016 and in that period, through financing of over €7 billion from Irish and international funders and investors, it is facilitating the construction of over 12,000 new homes which, when fully completed, will provide accommodation for over 25,000 people.

THE 'LIVING SECTOR'

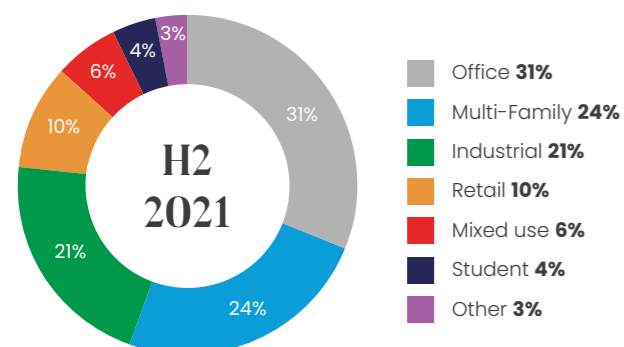
From an international capital markets point of view, we continue to see further movement of funds and increasing allocations towards the 'living sector' (including multi-family), as well as towards logistics and life sciences, and away from the traditional real estate investment asset classes. Activity in the logistics sector doubled in Ireland for the second year in a row. There is an active focus by institutional investors and funders on properties with strong sustainability and Environmental, Social, and Governance (ESG) credentials.

With the right conditions, housing supply in Ireland has the potential to benefit from these capital trends as the Irish multi-family investment market continues to mature, underpinned by a rising population, strong economic rationale, low vacancy rates, positive portfolio performances over the last 2 years, and a strong need for new homes.

CAPITAL FOCUS

The multi-family/private rented investment sector in Dublin continued to deepen in 2021. Investor interest and demand for good properties remained strong and we continue to see new capital targeting Ireland for the first time, as well as established investors increasing their portfolios. A diverse range of investors are active in the space, and this supports funding,

Dublin Investment Market Transactions by Value



Total Value: €2.715 billion

increased construction and supply and provides a healthy market for forward commitments, valuations and any re-sales of built stock.

A number of major transactions were signed or closed in 2021 and while most of the transactions in the market were forward sales / commitments, there are some opportunities emerging for forward funding with strong counterparties, however, most investors are still more comfortable with forward sales. Dublin has been the main focus for transactions in recent years and, despite the view by some commentators, over 85 per cent of the new multi-family developments in Dublin are taking place in the suburbs rather than the city centre, bringing much needed new supply to local communities. The counties surrounding Dublin, Wicklow, Kildare and Meath, are seeing more activity as good projects are being brought forward and a number of investment projects have taken place in these counties.

REGIONAL CITY DEMAND

Ireland's regional cities are in desperate need of new rental accommodation, especially apartments. With negligible levels of new construction in the last 13 years, rental stock availability levels are at historic lows and despite strong demographic and economic indicators, supply has been slow to increase mostly because of viability issues for apartments. While funding and viability are still a challenge, conditions are coming right for increased activity in the cities of Cork, Galway and Limerick on suitable sites in well-serviced areas and we are seeing both domestic and international capital looking at these locations.

Galway is thriving economically and culturally. It is experiencing, not only an expansion of existing industries but a constant influx of new industries supported by foreign direct investment. This has added to the already strong demand for rental apartments.

NEW BUILD INVESTMENT DEMAND

There were 4,670 multi-family properties sold in Dublin in 2021 across 36 main transactions of over €2 billion; 87 per cent (4,075) of these were new build properties and 13 per cent (595) were existing stock. The largest sale was the Ardstone transaction involving multiple developments in the Greater Dublin Area worth a reported €450 million for approximately 900 new build properties. There are limited 'built stock' opportunities in the market, especially ones built in the last 5-10 years – any properties with these characteristics are highly sought after.

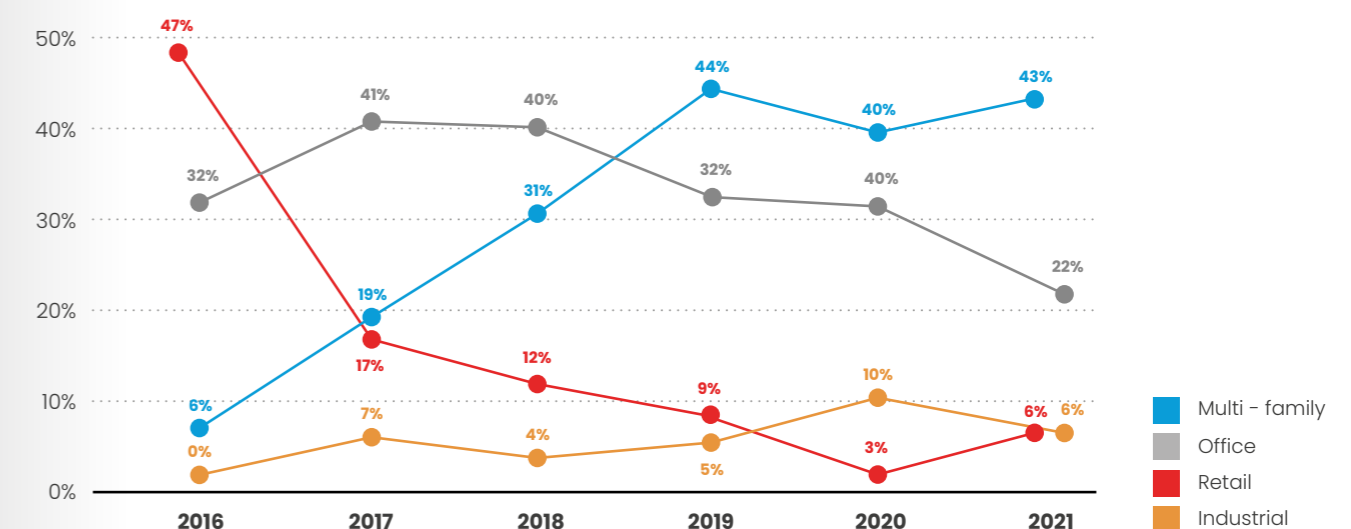
STAND-OUT TRANSACTIONS

The largest transaction in a single location in 2021 was the first major Irish residential forward funded sale of 435 apartments at 8th Lock, Royal Canal Park, Dublin 15 for €200 million which is being developed by Ballymore Group and forward funded by Union Investment and Ballymore were advised by Hooke & MacDonald on the transaction.

Cairn plc achieved sales revenues of €240.5 million in two significant transactions, selling Griffith Wood (342 apartments), Griffith Avenue, Dublin 9 to Greystar for €176.5 million and Rostrevor Place (107 apartments), Rathgar, Dublin 6 to Hines European Core Fund for over €63.55 million – Griffith Wood was sold close to completion and Rostrevor Place was fully completed.

Park Developments also completed another large forward sale in the year – 297 apartments at East Village, Clay Farm, Dublin 18 for €127 million – more new capital in the Irish multi-family market in the form of BlackRock with SW3 Capital. Richmond Homes completed another multi-family forward sale which was signed in December 2021, selling 142 apartments at Roselawn, Dublin 18 for €70.7 million to Aberdeen Standard. Similar to the Ballymore transaction with Union Investment, the Cairn, Park Developments and Richmond Homes transactions further emphasise the attraction of Irish developers and the residential investment proposition to long term global institutional capital.

Dublin Investment Transactions by Sector and Volume



Analysis: Hooke & MacDonald Research

Market Review (continued)

MULTI-FAMILY DOMINATES THE INVESTMENT SECTOR

In terms of overall investment transactions in the Greater Dublin Area, multi-family properties led the way in 2021 with a market share of 43 per cent of all investment spend, followed by offices at 22 per cent, industrial at 20 per cent and retail at 6 per cent.

Although multi-family transactions led the way with 55 per cent of all deals in the first half of 2021, amounting to €1.5 billion, it is noticeable that transactions for this sector in the second half of the year were 58 per cent lower at €633 million.

MULTI-FAMILY TRANSACTIONS 2016 - 2021

Since 2016, 17,696 multi-family/PRS units have traded in Dublin; 64 per cent (11,335) were new build and 36 per cent (6,361) were existing stock. The figures for 2019 showed a majority of existing units being sold, 3,039 compared to 2,909 new build. In 2020 it swung in favour of new build, 2,049 (76%) compared to 647

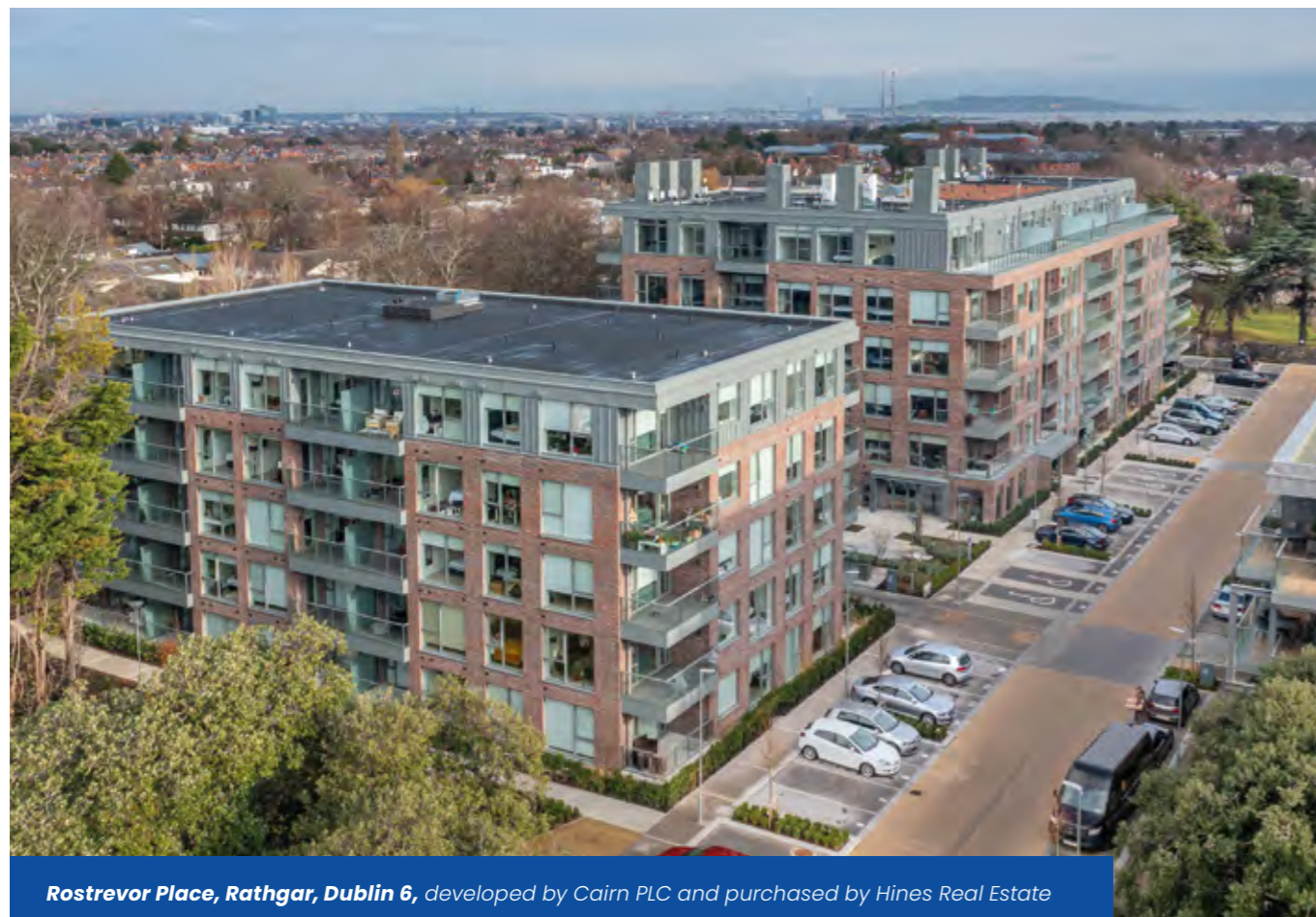
(24%) existing stock traded. This trend continued strongly into 2021, with 4,075 (87%) newly built residential units transacted compared to just 595 (13%) existing units.

NEW BUILD COMPLETIONS AND SUPPLY

There were a total of 6,201 new houses and apartments built in Dublin in 2021, 33 per cent (2,054) were in Dublin City Council, 30 per cent (1,844) were in Fingal County Council, 22 per cent (1,360) were in Dún Laoghaire Rathdown and 15 per cent (943) in South Dublin County Council.

Sixty-four per cent (3,971) of completed homes were apartments, 32 per cent (2,006) were estate houses and 4 per cent (224) single houses. The 64 per cent of apartments built in Dublin in 2021 represents an 84 per cent increase on the 2,175 apartments built in 2020 but this still represents only a fifth of actual demand in the capital.

In H2 2021 apartments constituted 69 per cent (2,566) of all new homes built in Dublin, with estate



Rostrevor Place, Rathgar, Dublin 6, developed by Cairn PLC and purchased by Hines Real Estate



8th Lock, Royal Canal Park, Dublin 15 being developed by Ballymore & forward funded in a €200 million transaction with Union Investment in H1 2021

houses making up 28 per cent (1,024) of completions and single houses 3 per cent (128). This shows that the increase in apartment delivery in Dublin was attributed mainly to a strong performance in the second half of the year. It is clear that the lockdown in construction of private housebuilding in the early months of 2021 was hugely detrimental to housing delivery. However, even if this had not occurred the level of housing completions in the Irish capital would still be significantly short of requirements when compared to the strong demand from buyers and renters (source CSO).

NATIONAL HOUSING COMPLETIONS

According to the CSO, nationally, excluding Dublin, there were 14,350 new homes completed in 2021, 52 per cent of them were estate houses, 23 per cent were single houses and 25 per cent were apartments.

The continued shortage of apartment construction in Dublin and other Irish cities and towns, which are badly needed to allow for higher density urban and suburban living for a rising population, continued in 2021. There were only 98 apartments built in Cork City,

only 62 in Limerick City & County, 65 in Galway City and 67 in Wexford, 39 in Kilkenny and 16 in Waterford. These figures starkly illustrate why there is such a crisis in the cost and availability of accommodation in the sale and rental markets.

Over four-fifths of housing completions in 2021 were in urban or suburban areas and a quarter of all new dwelling completions in 2021 were apartments, which is positive. Over three-quarters of apartments completed in Ireland in 2021 were in Dublin.

POLICY CHANGES

Attempting to solve the lack of apartments by introducing rent controls or other ill-advised market interventions is not only misguided but is also counterproductive as it will cause many of the funders of apartment delivery to seek other jurisdictions for their operations or alternative uses for their available capital.

A blanket rent freeze would destroy the rationale for new apartment construction in Ireland and devastate new supply. This has been proven in other

Market Review (continued)

jurisdictions, such as Berlin, and we have heard of the negative impact of such interventions first-hand from colleagues operating in Germany. The housing completion figures outlined above show there is already challenges around delivery and the policies needed to foster supply. Lack of funding and viability for apartment delivery and a disruptive planning system are the real issues.

THE LETTINGS MARKET

Like many urban areas across Ireland, Dublin is experiencing a significant shortage of housing compared to the level of demand. The shortage of accommodation appears to be more pronounced in Dublin than most locations, where demographic and economic pressures are pushing demand for rental housing. The Covid-19 pandemic interrupted the demand in the rental market in Dublin from March 2020 through to August 2021, with reduced mobility among the population both domestically and internationally. While vacant accommodation was renting during this period, in some cases it was taking longer to rent and initially there was some downward pressure on rents in parts of Dublin.

Since August 2021 there has been a very large increase in demand for rental accommodation across all parts of Dublin and its surrounding counties. This has resulted in serious issues as the number of parties in the rental market versus the amount of available vacant properties is at record lows.

Hooke & MacDonald rented 737 newly built properties across 8 developments between August 2021 and January 2022. Most new developments being brought to the lettings market are renting at a rate of over 30 apartments per month. New developments are assisting supply immediately and suggestion that there are hundreds of apartments sitting vacant in the Dublin suburbs in new developments is totally incorrect.

RENTAL STOCK REDUCTIONS

In terms of rental stock, across the State, approximately 85% of landlords manage just one or two tenancies and larger landlords (owning more than 300 properties) account for only about 5% of tenancies. As highlighted in the Residential Tenancies Board reports, registered private tenancies have been declining nationally since 2016. Since 2016, private tenancies have declined by over 20,000 units or 6.5%. Both nationally and locally smaller investors are

selling off their rental properties. The tax treatment is unfavourable for individual landlords, with most being taxed at the marginal rate, and as a result many landlords have a deficit following the payment of both loan amounts due and tax on rental income.

Older properties are also becoming more costly to manage and maintain as properties that were built when many smaller landlords acquired their investment, in the early 2000's or before, are now requiring substantial upgrades as a result of being over 15 years old, which is not attractive to owners who have properties that are restricted in the returns they can secure as a result of rent controls – so in a market where property values have recovered, a sale, which does away with the responsibilities of ownership is being seen as more attractive than costly refurbishments that won't be rewarded. The solution is not to increase tax on other suppliers of rental accommodation but to make it worthwhile for existing smaller landlords to stay in the market.

The counter to this is that many of the properties being taken out of the rental market are being acquired by owner occupiers, including First Time Buyers. Some of the properties have also been absorbed by Approved Housing Bodies and Local Authorities through straight acquisitions or long-term leases. While new residential institutionally funded and professionally managed apartment developments in Dublin are boosting much needed supply and providing accommodation to renters that won't be sold off, they are not making up for the thousands of properties being traded out of the rental market.

RENTAL LEVELS

As a result of all of the factors in the letting market, including those referred to above, rents are continuing to rise and according to the most recent rental report by Daft.ie, rents in the capital rose by 4.1% between September and December 2021, the largest three-month increase since early 2014 and stock in the Dublin rental market is at the lowest levels since their records began in 2002. New accommodation is replacing older accommodation in the market and this is more expensive to build with higher standards of accommodation which can only be delivered and rented at higher rents than older stock. As a result, rents in the market are going to continue to rise on an aggregate basis.

HOUSING FOR ALL AND FUNDING

The Irish Government's 'Housing for All' strategy is very welcome and with the right conditions should contribute strongly to easing the housing crisis in the next 10 years. The comprehensive plan aims for an increase in new homes supply across all tenure types – social, affordable and private housing both for purchase and for rent. However, this strategy can only be successful if Irish and international funders and investors are encouraged to play their part in funding housing supply in both the public and private sectors.

Housing for All targets the delivery of an average of 33,000 new homes over the 10 years of the plan. These projections are seen by many as being very conservative versus demand, which is estimated to be closer to 45,000 new homes per annum by some experts. Based on research carried out by Irish Institutional Property in 2021, to supply even 30,000 new build apartments and houses in Ireland, the State will require €9.5 billion in annual funding – Irish sources will only be able to provide a limited portion of the required capital and international funding is required.

However, national and local government interventions are undermining the potential for funding inflows and seriously impacting the country's ability to increase new homes supply, especially apartments. This includes the statement from the Central Bank of Ireland on potentially restricting loan to values for property investors and also two Dublin local authorities' proposals to make adjustments to planning guidelines, which, along with other recent changes, are seriously undermining development viability. If many of these changes are implemented it will not only reduce the supply of private rental accommodation it will also reduce the volume of Part V social and affordable housing as, if the developments are not built, there will be no Part V units delivered in them.

There is a disconnect between some elements of local and national public policy and the realities of funding and development, and there seems to be a presumption that projects will happen no matter what policies are in place, which is incorrect. Funders and investors in the rental market need a stable operating environment to do business, otherwise they cannot justify investment and will look elsewhere.



Roselawn, Foxrock, Dublin 18, being developed by Richmond Homes and forward sold to Aberdeen Standard

Market Review (continued)

The Government and Irish State is also the main benefactor financially from the delivery of new accommodation through Value Added Tax (VAT) and levies. Say for a €400,000 new property, €47,500 or nearly 12 per cent of this goes immediately to the State as a result of the 13.5% VAT charged on new homes. In Northern Ireland and Britain there is a zero VAT rate on new homes because it is recognised how important new residential construction delivery is to the State.

Part of the international funding is required to supply new apartment accommodation – as the standards and delivery costs for new accommodation are so high it typically supplies the middle and upper ends of the market, which is freeing up stock at the lower end. International research has shown this positive trend in other developed cities. However, there are significant challenges facing the construction sector in Ireland as a result of labour and building cost increases, planning delays and viability issues.

POLITICAL PRIORITIES

Planning delays are holding up the development of thousands of new homes, mostly apartments, and the solutions being proposed are years away from impacting the market with many schemes being held up for indefinite periods of over 2 or more years. While planning is a very complex area and integral to the proper functioning of a democratic society, it is evident to experts working in the area that many delays are being caused by vexatious opposers of new developments, and there seems to be an anti-development sentiment sweeping the country on the back of this. In mid-2021 Dáil Éireann (the Irish Parliament) convened emergency late-night sessions to bring through changes to domestic tax structures to ensure First Time Buyers would have access to new housing – these actions had an immediate impact on the market. If the same speed was used to arrest the planning delays it could have an immediate positive impact.

The planning delays are increasing costs and undermining viability and business plans on individual projects – ultimately higher prices will have to be paid to cover the cost of delays by the end purchaser i.e. the Irish State / taxpayer for social

housing and First Time Buyers, owner occupiers and renters for private accommodation. There is a lack of appreciation of this fact in the general narrative and it is difficult to understand the lack of timely solutions when it is widely recognised that thousands of young people are being negatively impacted by these delays. Ireland's politicians need to act now in relation to planning, treat it as an emergency and find solutions so the required new housing under Housing for All can be delivered and Ireland's competitiveness is not to be further undermined.

SOCIAL AND AFFORDABLE HOUSING

Investment in long term social housing leases will be limited in Ireland in the future because of the Irish Government signalling a phasing out of these leases under Housing for All. However, new build projects at scale of this nature are attracting interest from funds with long income horizons and there will be some transactions of this type in the next 12 months at particularly low yields. Currently the Government is missing out on the opportunity in utilising additional sources of funding for the social and affordable sectors as a result of the lack of clear opportunities.

These avenues are being used internationally by governments locally and nationally to boost housing supply, where policy makers have recognised countries can't do everything on their own and having multiple avenues of funding in the new homes market is preferential.

SUSTAINABILITY

Sustainability and the wider ESG agenda is front and centre of investment considerations and decisions and is a key priority for regulators, policymakers, investors and asset managers. Most international companies have appointed sustainability managers and teams to develop strategies to comply with their ESG policies and investment mandates which will play a role in the evolution of ESG within the asset management industry.

There are clear mandates to invest in new buildings or refurbished buildings with strong ESG credentials. Funders and investors are increasingly demanding sustainable investing strategies, and this ultimately forms an important part of investors underwriting and due diligence assessment.



Market Review (continued)

How organisations can measure and report on sustainability and ESG is critical, especially where there are multiple stakeholders involved.

Material sustainability issues are being recognised as increasingly relevant in terms of capital values and liquidity. If you are buying a property today that is designed, delivered, operated and monitored to the highest standards then you can have confidence that if you ever go to sell that property or have it valued you will be in a very good place, meeting the needs of your stakeholders, and it should perform better than a property that doesn't have sustainable characteristics as an intrinsic part of its nature.

The Irish development community has evolved very positively in terms of sustainable development and the newer buildings being produced are of a very high quality, with a strong focus on energy efficiency and promoting sustainable operations into the future. We are also seeing increasing levels of certification on new developments which is positive.

THE FUTURE OF APARTMENT DELIVERY AT RISK

The future of the apartment construction and rental sectors have been put at risk by some of the proposed changes in the draft development plans for Dublin City Council and Dún Laoghaire Rathdown Council, which undermine the already precarious viability, the operational metrics and potentially the desirability of investment in this vital area of housing delivery, and indeed for the government's Housing for All plan and Project Ireland 2040 – the National Planning Framework.

There is a disconnect between local aspirations for development, national policy and market realities and needs. We understand the Irish Office of the Planning Regulator has issued a number of recommendations to Dublin City Council about its proposals on Build-to-Rent schemes which indicates it believes that part of the draft proposals prepared by the Local Authority are in breach of either planning legislation or national and/or regional planning policy.

A number of parties including builders, investors and pension managers have stated that the proposed measures in the draft Development Plans in Dublin City Council and Dún Laoghaire Rathdown (for example, insisting on portion of apartments for sale being in developments, 3km concentration

restrictions for rental developments and requiring more three-bedroom apartments) will result in dramatically reduced supply and that new developments will be considerably more challenging to fund and deliver and more costly to manage if they are ever built. They say that, if implemented, these changes will inevitably lead to a number of planned residential developments being cancelled. Some examples of these challenges and cost implications are outlined below:

- **Funding incompatibility** – The idea of splitting developments between different purchaser types and tenures is impractical from a funding point of view. The disconnect between the realities of financing a complex apartment project and the policies that are being proposed by the Local Authorities is vast. Without funding projects can't be built. It is evident that these factors are not being properly considered.

The main problem is that the owner occupier apartment market is not fundable due to lack of viability at present so therefore a mixed ownership development will not get started – the only exception being major master plan developments where there are different goals and criteria not wholly reliant on private sector funding. But for a development of, say, 100-200 units it cannot work, through lack of funding and viability.

Lack of control – This is one of the most critical factors as typically and naturally investors want to control as much of a building they are invested in as possible so as they can achieve the operational efficiencies and be able to make decisions about the future of their investment without having to rely on multiple stakeholders with different wants and needs. The current proposal will work against this fundamental principle and make the development of such properties unviable.

- **Lack of operational efficiencies** – Operators of large rental schemes are generally in a position to leverage efficiencies and reduced costs for goods and services through economies of scale. If the quantum of units

owned by the Build-to-Rent operator is diluted by multiple types of tenure in the same block, then these cost savings will not be as prevalent – rents will therefore most likely be impacted. However, there is scope for this to work in some cases in which design solutions can mitigate the problem.

- **MUD Act complexities and costs** – It will be necessary to implement various provisions of the Multi Unit Development (MUD) Act 2011 as a result of the multiple stakeholders which will make ownership more complicated and costly. Approval to fund major capital works or redecorations during the development life cycle would become more difficult, this can result in capital works being delayed, scaled back, or not carried out at all. There are currently a number of instances of this in Dublin city and suburbs.
- **Management inefficiencies** – Apartments within new multi-family rental schemes are professionally managed by licensed Property Service Providers. The introduction of a diverse range of tenure types will create a disparity in service offerings to residents of the same scheme.

INACCURATE NARRATIVE ON OCCUPANCY LEVELS – DAFT SURVEY

There has been an inaccurate narrative being propagated from some quarters about the level of properties being made available for letting in new residential developments. It was good therefore to see Ronan Lyons in the latest Daft report carry out a survey which proves how incorrect the narrative is. The report states as follows:

“But is supply really that tight? A narrative has emerged that, while supply might be tight in the traditional rental market dominated by Section 23 and accidental landlords and pre-63s, new private rental sector (PRS) supply changes that picture. For example, Capital Docks has become somewhat infamous in certain circles as an example of new high-spec apartments allegedly left empty while Dublin's renters suffer. However, an examination of publicly available information reveals that it was three quarters full at the start of 2022, with active leases on 142 of its 190 addresses. Two other large high profile rental developments – in Dublin 8 and in Cork city – have occupancy rates of over 80%. Figures from many other PRS developments show far tighter

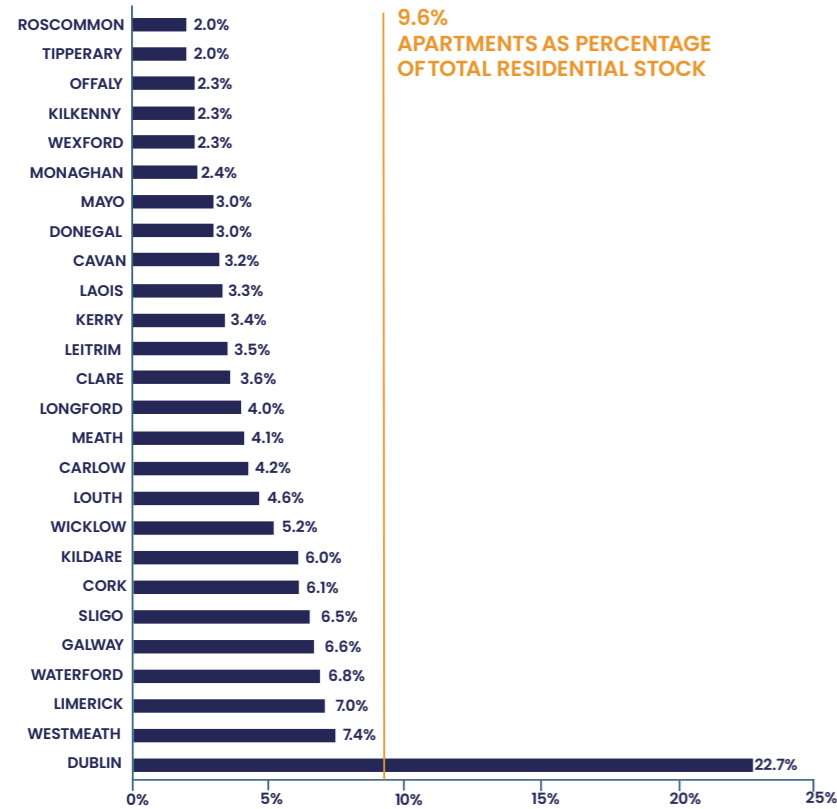
vacancy rates. For example, two medium-sized developments in Glenageary have an estimated 98% occupancy, and similarly there are active leases for almost all of the 442 homes at one development in Dublin 18.”

“In total, across 63 identifiable PRS complexes completed before 2021, with nearly 7,800 homes, the latest publicly available information suggests that 90% of those – just under 7,000 – are occupied. Compared to the narrative of empty buildings of luxury apartments hulking over the city, the picture from Ireland's PRS sector currently is one of strong demand translating into homes being used. While it does not mean that there is an easy win, for example by forcing professional landlords to rent out homes they are leaving empty, these figures do augur well for Dublin in particular, as it welcomes thousands of new rental homes on to the market: these are not homes that will be left empty, they are homes that will be used.”

“The Daft Rental Report will continue to monitor occupancy rates in the PRS in subsequent rental reports – adding in new developments as they come on stream. This will allow an understanding of how quickly new PRS stock is absorbed. For example, of twelve developments completed in recent months, with over 2,250 homes, over 500 of those homes were occupied by early January. One new PRS development in Drumcondra, with 342 homes, was highlighted after the last rental report as an example of how simple ad counts could lead the analyst astray when assessing the availability of rental homes. But a closer look confirms the trends seen in the wider market. While there were no active leases in early January for that development, by early February there were already 29. The same is true for other new PRS developments in Clongriffin and Rathgar. These examples of brand new rental homes suggest little reluctance on the part of landlords or tenants to bring these homes into use.”

In addition to the valuable Daft research on the matter, Hooke & MacDonald can confirm, based on the 3,000 plus properties the company manages and the multiple new lettings programmes, mostly for institutional owners, that the instruction from all clients is to let out newly completed developments in a timely manner and that 98 per cent occupancy is typically being achieved for properties under management by the company.

Apartments as a Percentage of Total Residential Stock by County



Source: GeoDirectory



Cherrywood Town Centre - over 1,200 apartments being developed by Hines & APG and bringing much needed new supply to South Dublin

COMPOSITION OF PURCHASERS OF NEW HOMES

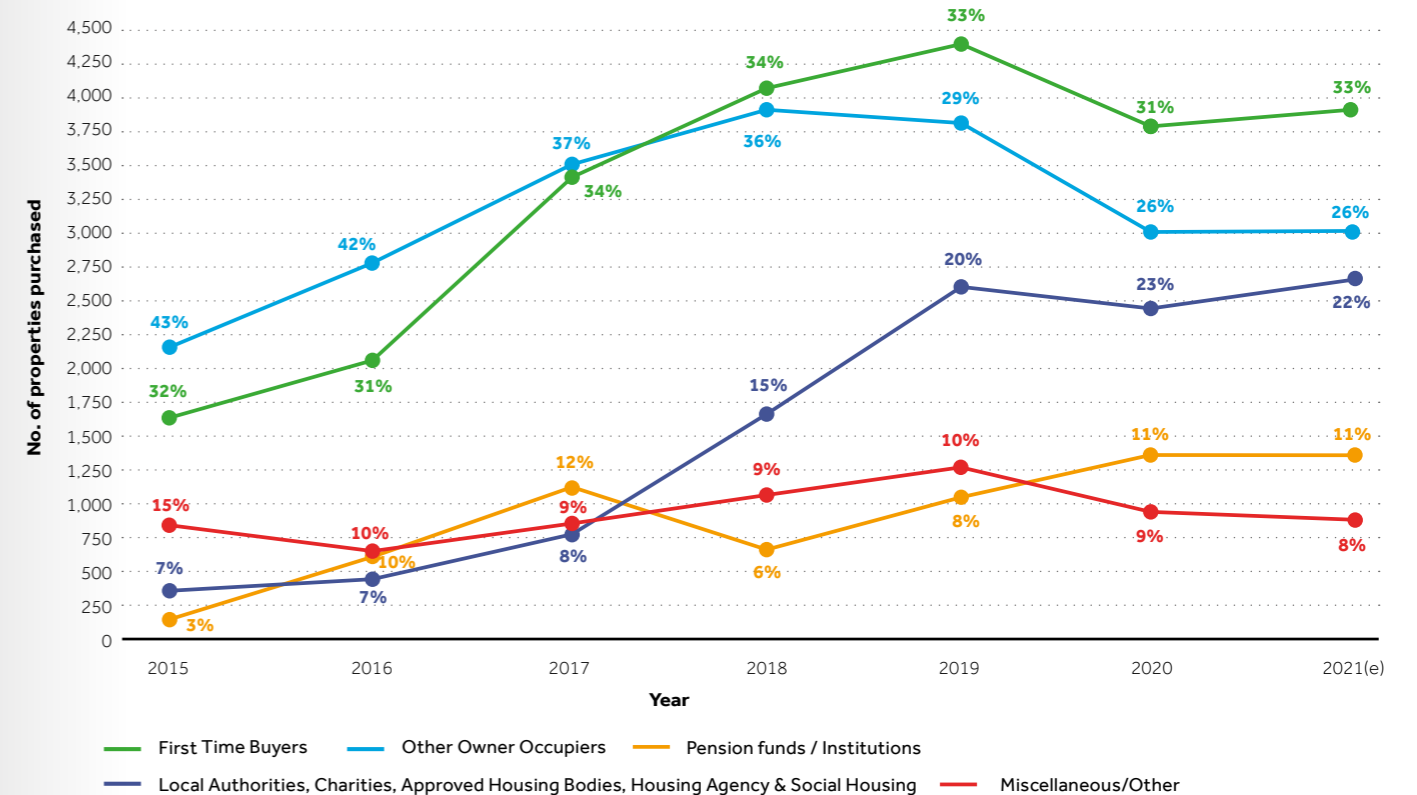
Hooke & MacDonald carried out a study based on CSO and Eurostat data which shows that, contrary to popular belief, institutional investors have been responsible for only 11 per cent of new residential properties purchased in 2020, with 23 per cent being purchased by Approved Housing Bodies (AHB's), charities and Local Authorities. Thirty one per cent were purchased by first time buyers and 26 per cent by other owner occupiers.

Hooke & MacDonald's assessment of the CSO figures just published for 2021 show a similar pattern of percentages for each category as 2020 with first time buyers share of purchases of new homes rising

marginally to 33 per cent of the total (c. 4,100 units), other owner occupiers staying at 26 per cent (3,100 units), AHB's, Local Authorities and Charities at 22 per cent and institutional investors again at 11 per cent, comprising just over 1,300 units.

Over 95 per cent of purchases by institutions in Ireland of new residential properties are apartments and over 90 per cent of new residential properties being purchased by owner occupiers are houses, so it is not comparing like with like to put them together, as some commentators have done, especially as the SCSi and other experts have proven that the delivery costs of apartments are substantially higher than the delivery costs of houses.

Composition of Purchasers of New Homes in Ireland 2015-2021



Sources: CSO, Eurostat. Analysis: Hooke & Mac Donald Research

Market Review (continued)

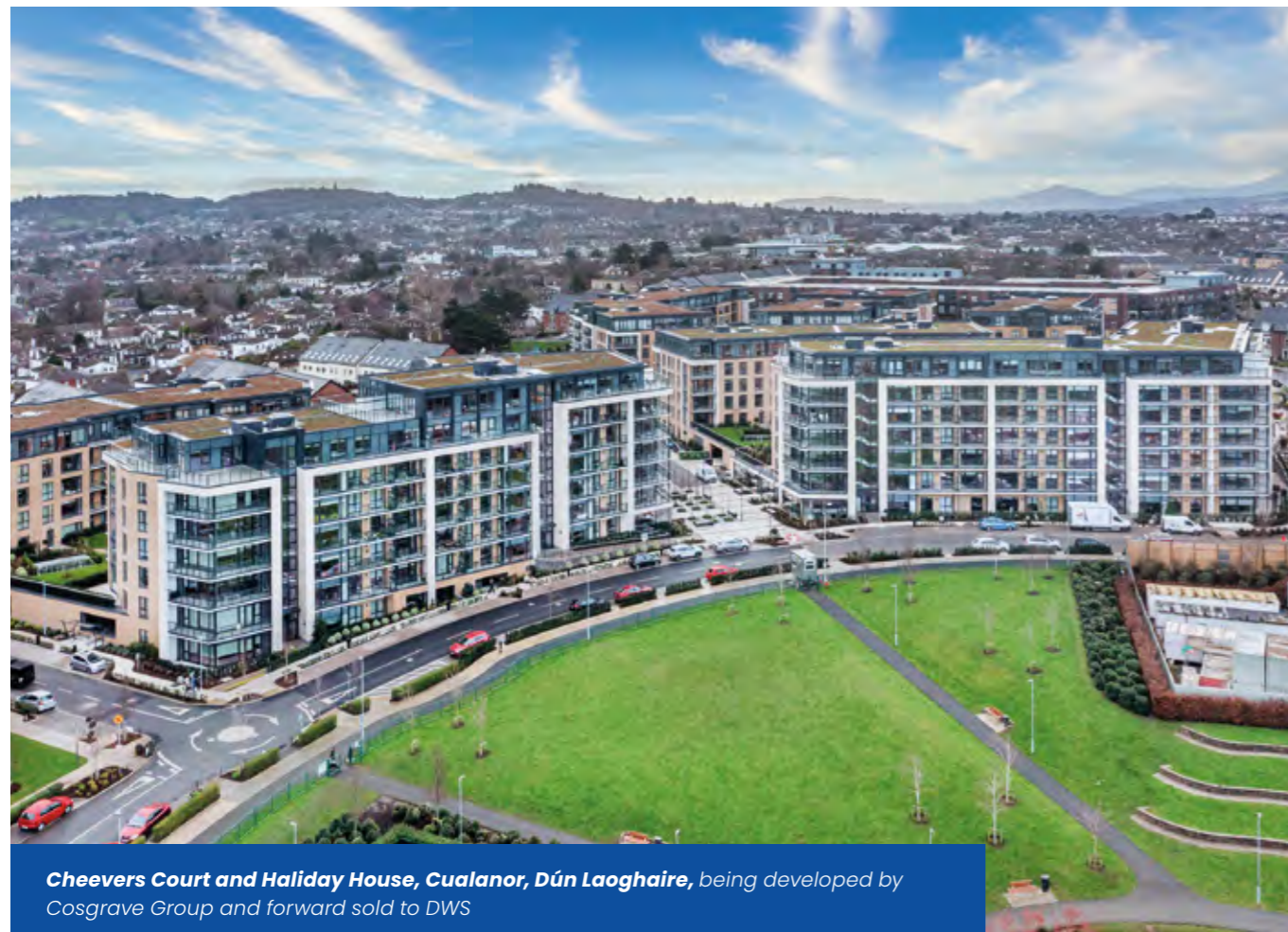
The detailed SCSi studies on the build costs of new homes are contained in their publication of January 2021 titled 'The Real Cost of New Apartment Delivery' and their report of July 2020 with the same title.

It is also important to recognize that purchases by AHB's, Local Authorities and Charities should not be included under the heading of 'institutional'. Institutional investor purchases make up a far lower percentage than these bodies and should be categorized separately.

PURCHASING TRENDS - 2015-2021

In 2020, 6,784, or 57 per cent of purchasers of new homes were household purchasers, with 31 per cent of these being first time buyers and 26 per cent being

other owner occupiers. Over the seven years from 2015 – 2021 first time buyers made up 33 per cent (23,200) of purchasers: 32 per cent in 2015, 31 per cent in 2016, 34 per cent in 2017 & 2018, 33 per cent in 2019, 31 per cent in 2020 and 33 per cent in 2021 – in fact a very encouraging and consistent picture. This shows that first time buyers are not being crowded out of the new homes market by investment entities. In reality first time buyers are an increasing proportion of the market but the overall level of supply is significantly inadequate to cater for their needs. The viability of apartment delivery is the real impediment to making apartments available to owner occupiers. Until this is accepted and addressed the position will not change.



Cheevers Court and Holiday House, Cualanor, Dún Laoghaire, being developed by Cosgrave Group and forward sold to DWS



Griffith Wood, Griffith Avenue, Dublin 9 being developed by Cairn Plc and forward sold to Greystar for €176.5 million



The Davitt, Davitt Road, Dublin 12, 265 apartments being developed by Brian M. Durkan & Company and forward sold to Avestus Capital Partners

2. Investment Outlook

EXODUS OF SMALLER LANDLORDS

As the company has been highlighting for over 5 years, Hooke & MacDonald forecast that there will be a continued exodus of smaller investors from the market in the coming years and these will not be compensated by way of new supply, despite the increases in apartment development. This exodus is taking lower priced rental accommodation out of the rental market. This is a major challenge for the State to overcome but an opportunity for stakeholders with sites that have planning permission to bring on much needed supply where funding can be secured.

DEMAND AND RENTS

Ireland's population is increasing and many of the economic indicators and trends are very positive. Numerous multi-nationals in Dublin are expanding and multiple other industries are also. These factors are supporting demand for rental accommodation in and around Dublin and an increasing portion of Ireland's population are renting. Rents are going to continue to rise as the mismatch between supply and demand is not sufficiently addressed by new supply and older properties are sold out of the market.

The newer stock is costly to build and requires market level rents to be achieved for construction to be fundable and projects viable. The delays in the planning system which have been playing out over multiple years at this stage, and left unaddressed, are increasing the cost of rental accommodation – firstly the delays are limiting supply at a macro level, secondly, they are adding to financing costs and delivery costs as projects that could have been built and delivered in say the last 2 years now have to factor in higher input costs and inflation.

PORTFOLIOS

Good tenant demand supported stable occupancy and high rent collection rates over the past 2 years has boosted investor confidence in this vital sector of the Irish economy. Many institutional investors, who are partly replacing the small investors in the market, have had exposure to the market over this time and encouraging portfolio performance has underpinned a positive view of Ireland as a place to invest. This experience will support future decision making and pricing.

SUPPLY CHALLENGES

Some commentators have pointed towards the thousands of apartments and houses in the planning system and how this augurs well for new supply into the future. The reality is that many of these planned developments will never be built as a result of challenges around funding and viability, mostly related to apartments and a lack of promoters and contractors. For the most part large apartment projects are not fundable or viable if being developed for the Build-to-Sell market. Conclusions and assumptions being drawn about the country's ability to scale up housing supply are in many cases misguided.

There will be increases in supply but nowhere near the number of planned developments or that required to meet demand. In order to increase supply substantially and in line with planning policies and density goals, Ireland needs apartment projects to be built at a significant scale. Despite the oversimplification of how easy it is to deliver big construction projects, we only need to look at the new National Children's Hospital in Dublin to get some idea of how budgets for large construction projects can escalate. In that case the taxpayer picks up the cost of overruns. While this is a particularly large project it illustrates the development risk involved – a risk that is not appreciated by most.

There are only a relatively small number of builders and contractors in Ireland that can build apartments at scale. While the construction sector is scaling up and adapted extremely well to the operating conditions over the last 2 years, this sector is limited in capacity. As a result, there will be limits on the amount of new accommodation that can be delivered over the next 10 years. This means that the current unsatisfied and increasing demand will not be met by levels of supply for many years to come.

Subject to planning and other issues being dealt with, Hooke & MacDonald estimate that there will be 26,000 new homes completions nationally in 2022 and 31,000 in 2023.

TRANSACTIONS

A number of transactions that were in the latter stages of negotiation in December 2021 have already signed this year and we expect there will be a number of deals announced in the coming weeks. The Dublin suburbs has seen much of the investment activity for new build stock over the last 4 years and we expect this to continue. However, projects in and around the city centre are highly desirable and very sought after by investors. Opportunities in the wider Dublin area including Wicklow, Kildare and Meath are going to become more prevalent – in most cases this is the only way apartment developments are viable as Build-to-Sell pricing does not support funding or construction. Forward sales / purchases will remain the most prevalent form of investment for new projects.

CAPITAL

Interest in the 'living sector' continues to increase both domestically and internationally. Subject to the right conditions being in place, we will continue to see current stakeholders increasing the size of their Irish portfolios and new capital coming to the market looking to fund and invest in Irish residential investments. The challenge will be having enough established developers, contractors, labour and real opportunities to deliver adequate future stock.

There is still relative value in the Irish market at current yield levels and investment demand is outstripping supply – yields are likely to trend downwards in the medium term as demand remains strong and geographic locations within the wider Dublin area that haven't had Private Rented Sector projects delivered in them before prove their suitability as a place to invest, this will particularly be the case for good delivery partners and well thought-out projects. There will also be investment in good projects in some of the regional Irish cities such as Galway, Cork and Limerick.

Built and stabilised stock will be particularly attractive to a range of investors, especially those who have plenty of capital but don't wish to take on any development or lettings risk.

FUNDING NEW HOMES

It is incumbent on local and national government to ensure that conditions are in place for domestic and international funders and investors to provide capital to the Irish residential sector. Sudden or planned policy changes that damage one avenue for new supply i.e. the rental sector, are wholly short-sighted and counterproductive to Ireland meeting the accommodation needs of its citizens. Currently there is an appetite to fund new development projects in Ireland, but this funding will move elsewhere if confidence in the sector is damaged, and the operating environment is unfeasible. We cannot rely on the Irish taxpayer to solely fund housing construction into the future and the country needs private sources of funding to compliment State funding.

BUILD COST INCREASES

The Irish building industry emerged from the Government enforced lockdown in 2021 only to find that there was a massive shortage of key building materials. The Irish Home Builders Association (IHBA) said in a survey that record timber prices, Covid-related stoppages, depleted inventories, delays in shipping and Brexit-related transport issues have increased the cost of building materials required for the construction of new homes.

Linesight's Commodity Q4 2021 Report shows that while the Irish economy proved resilient throughout 2021, construction output fell by 10.2% in real terms for the year due to an unexpected 6.1% year-on-year contraction in Q3 2021. Inflation and high import prices have added as much as 23% to the costs of key materials including timber in 2021 (this rose to almost €25 per sq.m from 2020). The Linesight report expects materials inflation and supply disruption to continue in 2022, but with less volatility than in 2021.

On some apartment projects that are nearing completion it is becoming evident to those involved that as a result of cost increases over the last 2 years there is going to be limited and in some cases, no profit on completion. Affordability and viability concerns have left some builders with no choice but to hold off on starting certain projects as they fear they could lose money as the developments may not produce a surplus as costs keep rising. The environment for apartment construction is particularly challenging.

Investment Outlook (continued)

Supply constraints, scarcities of certain build materials, labour shortages, inflation, funding issues and viability are all going to play a significant role in the construction industry over the next 12-24 months, which will ultimately impact house prices and rental levels.

SUSTAINABILITY

The next decade will be critical if real estate is to truly play its part in a more sustainable and a net zero future. Investors are prioritising environmental, social, and governance (ESG) characteristics and performance in their decision-making. According to the 2021 EY Global Institutional Investor Survey, 74% institutional investors are now more likely to divest from companies with poor ESG track records. The report, canvassed the views of 320 institutional investors across 19 countries. It shows that 90% of investors say they now attach greater importance to ESG performance in their decision-making than they did before the COVID-19 pandemic; and that 92% say they have made decisions over the past 12 months based on the potential benefits of a “green recovery”.

The conversation around green real estate is continuing to progress and any real estate that fails to keep pace may be affected. The majority of investors are looking more closely at ESG risks across their portfolios and investment targets in the future. Retrofitting real estate will continue to be critical to meet the demand for net-zero space and incoming

regulations. Irish standards for new residential development are already very high, and we continue to receive positive feedback on new projects in the Irish market from international investors. Certification of new projects is going to become increasingly relevant and will impact demand for investments and consequently pricing.

DUBLIN INVESTMENT AND YIELD TRENDS

Investment yields are impacted by a wide range of factors, many of which we have touched on in the preceding pages of this report. These include rental stock supply and demand, rental and income levels, portfolio performance, and capital markets and investor demand for residential asset classes.

In Ireland supply of residential rental accommodation to rent, and to buy as an investment is significantly outweighed by demand, and this will be the case for the foreseeable future as a result of multiple constraints. Internationally the multi-family asset class performed very robustly during the Covid-19 pandemic, with the inherent need for good quality accommodation into the future being very evident.

There are challenges in the wider economic, political and capital markets environments including around inflation and interest rates, which are being considered by investors. However, ‘capital’ needs a home and needs returns to pay commitments into the future – globally there are limited opportunities to achieve this.



The Windmill, Clonsilla, Dublin 15 being developed by Kimpton Vale was forward sold for €73 million to Urbo

To deliver its required housing supply over the next 10 years Ireland needs significant domestic and international capital flows, the State cannot address all requirements. The rationale for investment in Ireland across many sectors, including residential, is robust and we believe the continued move of capital towards the living sector, and in particular multi-family, will support pricing and yields in Ireland over the next 12-24 months. While some investors will be more cautious it will leave opportunities for those acquiring assets with a long-term view, who will benefit from this approach, acquiring the limited number of projects that will be brought forward in the wider Dublin and Irish market over this time.

Prime investment yields on forward sales / commitments for new build apartment projects have been stable, and trending downwards in less central locations over recent years as the market for multi-family investments in Dublin and the surrounding counties has developed.

Dublin city centre, south Dublin and inner urban projects in north and south Dublin are securing the lowest yields and there has been a consistent level of transactions in the region of 3.7%-3.9% net in these locations over the last 3 years. Prime yields

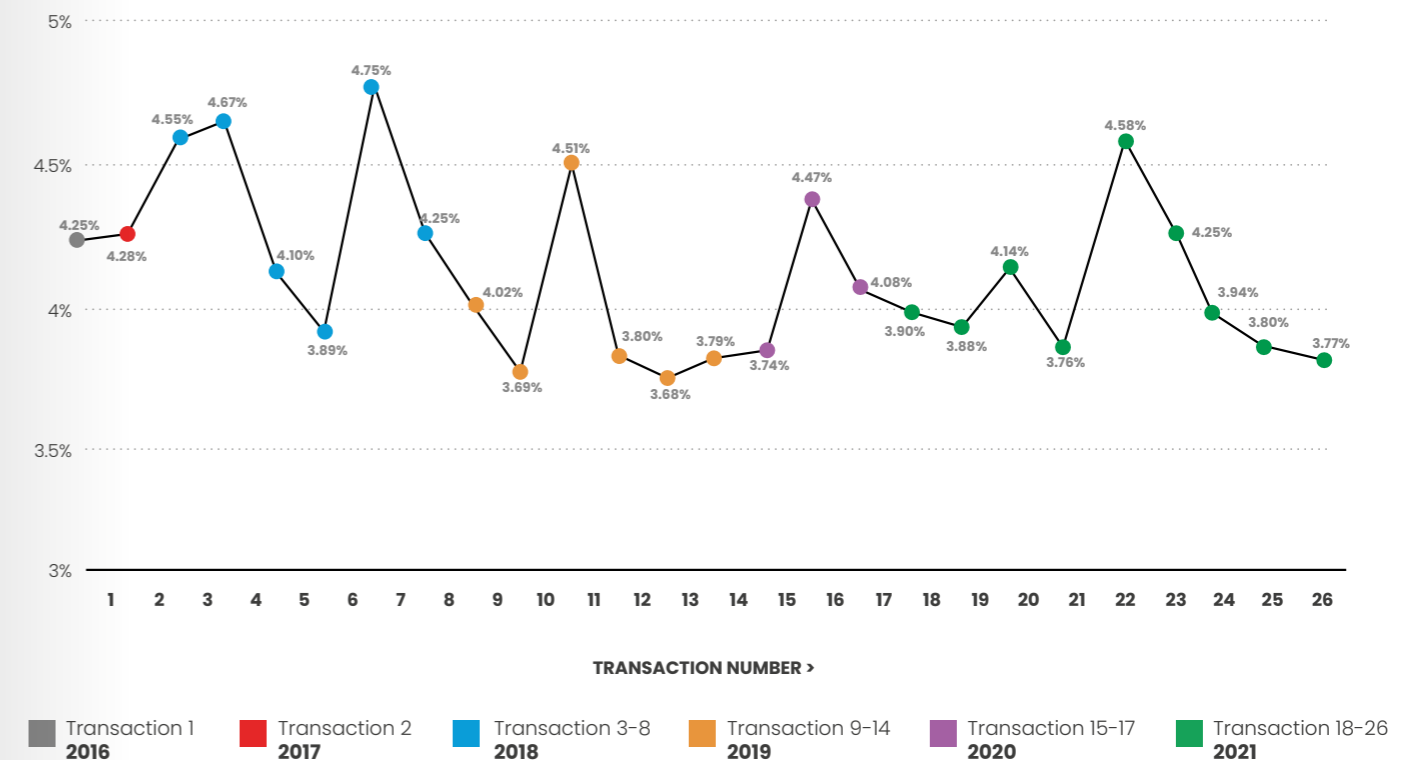
for the investments in these locations are now at approximately 3.7% net.

Yields for projects that are in north and west Dublin, inside and outside the M50 Motorway, and in the surrounding counties are contracting as investors become more familiar with the areas and there is precedent for strong performance of portfolios in these locations. We expect this trend to continue with net yields closing in on 4%.

There is limited precedent for sales of high quality new accommodation stabilised residential investments built in the last 5 years. The Vert Portfolio is the most notable investment of scale that traded. Considering the challenges around delivery, lack of stock, demand side characteristics and the range of capital that is open to acquiring stabilised stock in Ireland, we expect there will be strong demand for recently completed built stock, with yields pushing below 3.5% on a net basis.

Having been sales agents on €2.45 billion of forward sale multi-family investments over the last 5 years, through ongoing research and engagement with investors on a daily basis, Hooke & MacDonald have first-hand knowledge of the domestic and international market and base the above assessment on this.

Estimated Net Yields across 26 New Build Forward Sale PRS Investment Transactions in Dublin over 100 Apartments - Q4 2016 - Q4 2021

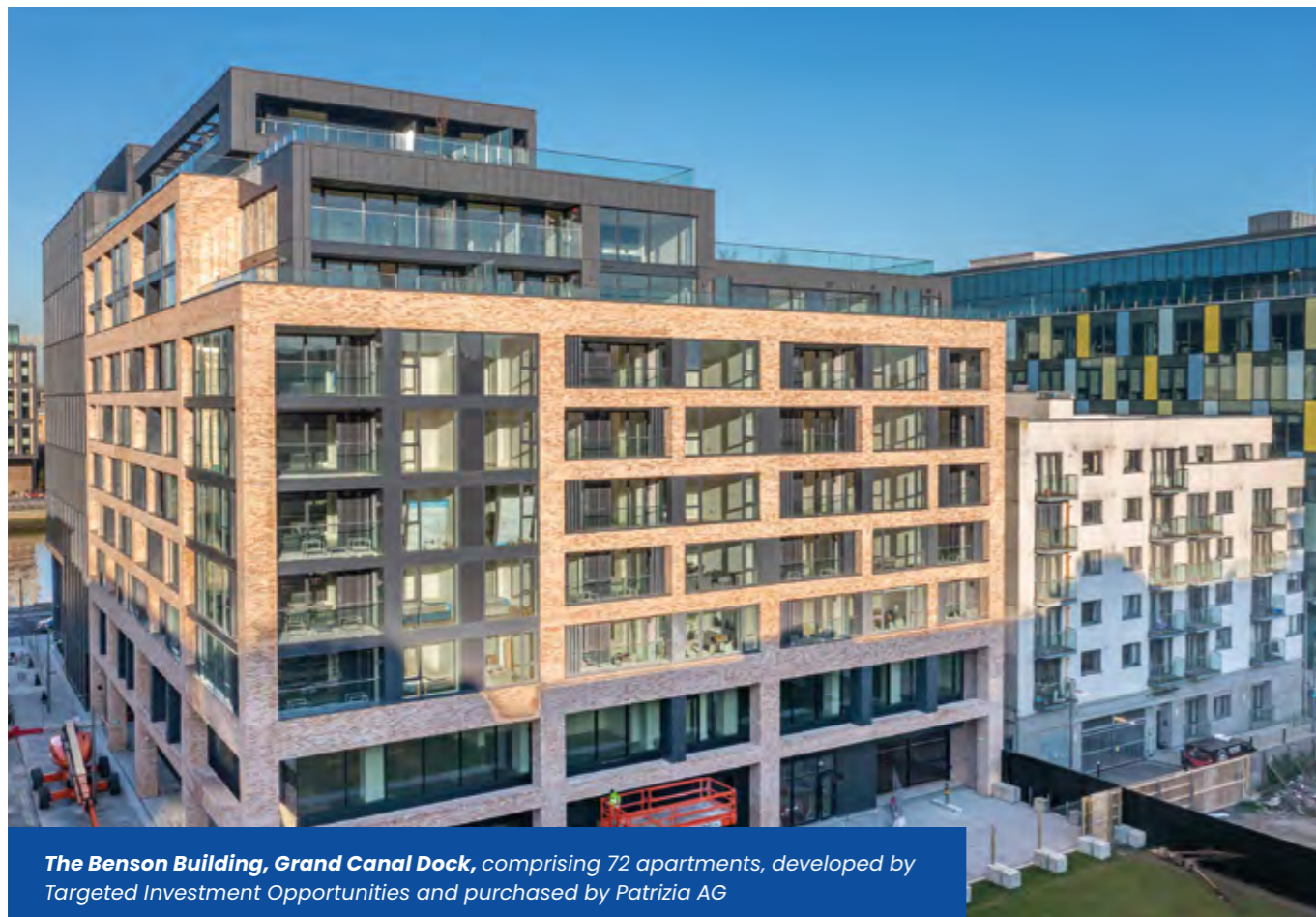


Analysis: Hooke & MacDonald Research
Note: The above chart does not include multi-location portfolio sales

Investment Outlook (continued)



Blackwood Square, Northwood, Santry Demesne, Dublin 9 being developed by Cosgrave Property Group, forward purchased by Round Hill Capital & QuadReal Property



The Benson Building, Grand Canal Dock, comprising 72 apartments, developed by Targeted Investment Opportunities and purchased by Patrizia AG



Resident amenities at Leona and Charlotte, Honeypark, Dún Laoghaire, South Dublin, which were acquired by PATRZIA in 2017

3. Economic Climate & Challenges

The Covid-19 pandemic brought with it very challenging economic circumstances for a large portion of the population and multiple sectors of the economy. Many individuals and businesses had to avail of Government income and business supports. From an income point of view, there were many employment sectors that were not negatively impacted.

Over recent weeks there has been positive Irish news and economic trends emerging including the following, which have coincided with the Irish Government removing Covid-19 restrictions:

- Ireland's recent positive economic indicators, which exceeded forecasts of the Department of Finance, the Irish Central Bank and the ESRI for 2021.
- Substantial growth in Foreign Direct Investment (FDI) in 2021 compared with 2020, with more than 29,000 new jobs created, a net increase of almost 17,000 jobs year on year.
- Enterprise Ireland's companies creating a total of 20,324 new jobs amounting to a net increase of almost 12,000 in 2021 – highest jobs gain in a single year, with 68% of new jobs being created outside of Dublin.
- A record €13.5 billion worth of food, drink and horticulture products were exported from Ireland last year, up 4% on 2020, despite the effects of the pandemic and Brexit.
- 20% growth in Government tax revenues in 2021 to a record of €68.4 billion, an increase of €11.2 billion relative to 2020, despite the negative impact of Covid-19 restrictions.
- Consumer spending and employment returning at a sharper than expected rate.
- The amount of money managed by firms in the Irish funds industry grew to \$5.7 trillion in 2021, driven in part by a 28.1 per cent growth in the size of Irish domiciled funds from \$3.3 trillion to \$4.2 trillion.
- National Treasury Management Agency (NTMA) recently raised €3.5bn in an oversubscribed bond sale achieving in excess of €27 billion, attracting a broad audience of diverse investors.
- Ireland returns to Fitch's AA rating category for first time since 2010, demonstrating a strong capacity for payment of financial commitments.
- Ireland's strong population growth, which exceeded 5 million in April 2021 for the first time since the 1851 census.
- Strong population growth anticipated to continue for the Census in April 2022 and beyond, including further net migration.

- Investment in Irish real estate has continued to occur (over €5.5 billion in 2021), bringing much needed funding, both domestic and foreign, into the capital-intensive sector.
- Unemployment figures are trending positively. The hope is that many jobs that were impacted during the pandemic are restored and many industries and organisations are seeking new staff and looking to expand.

Challenges being seen and flagged in the economy, the construction sector and wider society include:

- Labour shortages in a number of sectors, especially construction and transport are likely to be factors in the years ahead.
- Infrastructure constraints need to be addressed in order for Ireland's future prospects and growth not to be inhibited.
- Delays and costs in the planning system and difficulties being experienced by developers and the State in efforts to scale up development of housing.
- Sustained homelessness and lack of availability of affordable housing for large portions of the population.
- Conservative housing completion targets versus increasing demographic demand and higher forecasts.
- Project Ireland 2040 – National Planning Framework in need of review, with a number of areas that need to be addressed including underestimation of population and housing growth and the imbalance between the Framework strategy and the trends around the continued expansion of the Dublin region.
- Inflation bringing multiple challenges, including around the cost of living.
- Issues around securing funding for large scale apartment projects.

OBSTACLES TO HOUSING DELIVERY

Favourable economic and demographic conditions will add further to the strong demand for housing for rental and sale and the need for success in the delivery of the required accommodation. The government's Housing for All strategy presents a

good framework for achieving this, as outlined in this commentary, but regrettably there are a number of serious obstacles to it being successful.

The planning system is not fit for purpose and the out of control objector free-for-all, and now commonplace judicial reviews, in relation to new residential developments is grossly unfair to those in need of housing – bizarrely it's not just well-housed members of the public that are objecting to new schemes but it's also disingenuous politicians who are doing so, putting populism before principle. It's hypocritical for politicians to criticise the government and developers for shortage of supply and high rental costs and house prices and then to go and contribute to those costs and shortages by objecting to developments or by advocating changes to draft plans that will in turn reduce supply and increase costs.

Just over 20,000 new homes were built in Ireland in 2021. With a continued strong performance by homebuilders this could rise to over 26,000 in 2022 and to over 31,000 in 2023. However, this is very much dependent on the government dealing with funding and viability issues for apartment delivery and taking urgent legislative action to deal with planning objectors and judicial reviews which are holding up and putting at risk thousands of new homes for the sale and rental markets.

NATIONAL PLANNING FRAMEWORK INADEQUATE FOR FUTURE HOUSING NEEDS

A further obstacle to achieving required housing delivery for a buoyant economy, with positive demographic trends is, according to Dr. Brian Hughes, the under-provision and locational disparities in the National Planning Framework. It requires a

comprehensive review as it is currently based on a flawed set of figures for future population and housing needs. This underestimation, if not reviewed, will inhibit growth in key sectors of the economy.

The CSO Release on their Population and Migration Estimates for the five years of State population growth 2016-2021 comprises the Greater Dublin Area (GDA) and Rest of State (RoS) areas, where the counties of Dublin, Kildare, Meath, Wicklow and Louth comprise the Greater Dublin Area and where the Rest of State is the balance of the State. Over this five year period to April 2021, the GDA's population grew by 137,900 to reach 2,164,700, a growth of 6.8 per cent. The corresponding growth for the RoS area was 134,000, reaching 2,846,800, a growth of 4.94 per cent

Accordingly, the GDAs growth rate was 37.7 per cent stronger than that of the RoS area.

The National Planning Framework's (NPF) lower projection provides for a 2040 population growth of 926,000 for the 24 years to 2040, being 38,583 per annum. This growth projection is only 71 per cent of the 2016-2021 actual growth.

This means that for the remaining 19 years to 2040 a growth of just 34,426 would be required to achieve the NPF target, which would be only 63.3 percent of the 2016-2021 growth rate of the State.

If the State's population continues to maintain its current growth rate, Ireland's population will add more than 1.3 million to its 2016 population. On that basis the NPF needs to be reviewed, not least so that the housing completion rate of 48,000 units per annum is factored into the ongoing reviews of the national, regional and county development plans.



Verville, Clontarf, Dublin 3, developed by MKN Group as part of the Prestige Portfolio and sold to DWS

4. Top Multi-Family / PRS Transactions in 2021

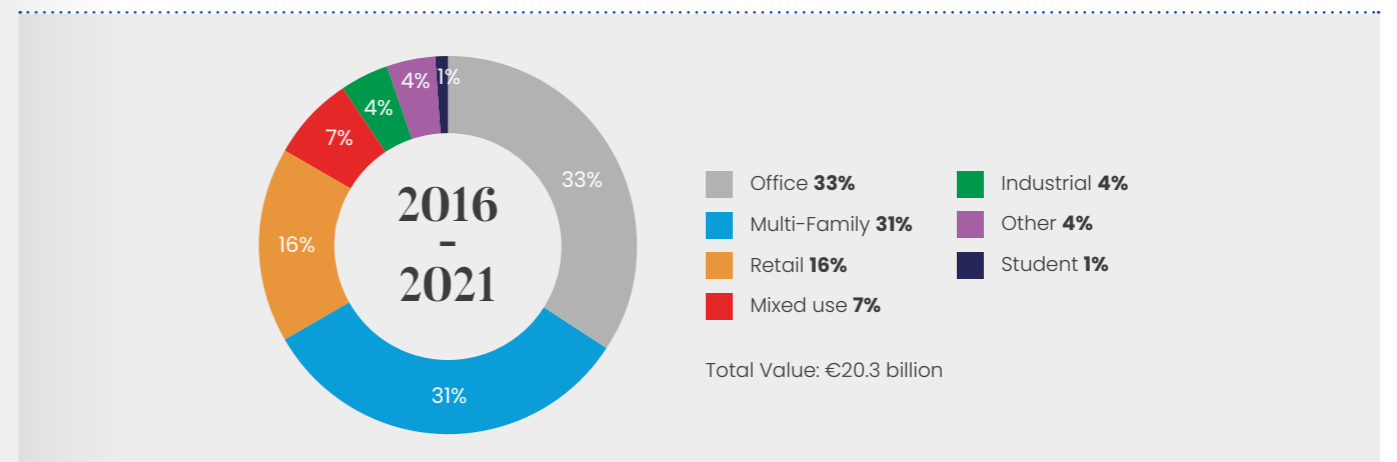
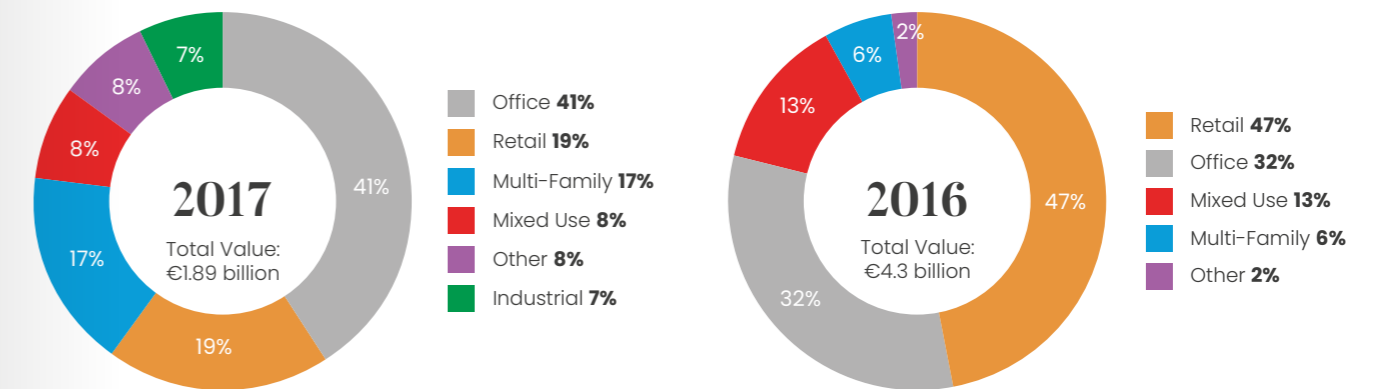
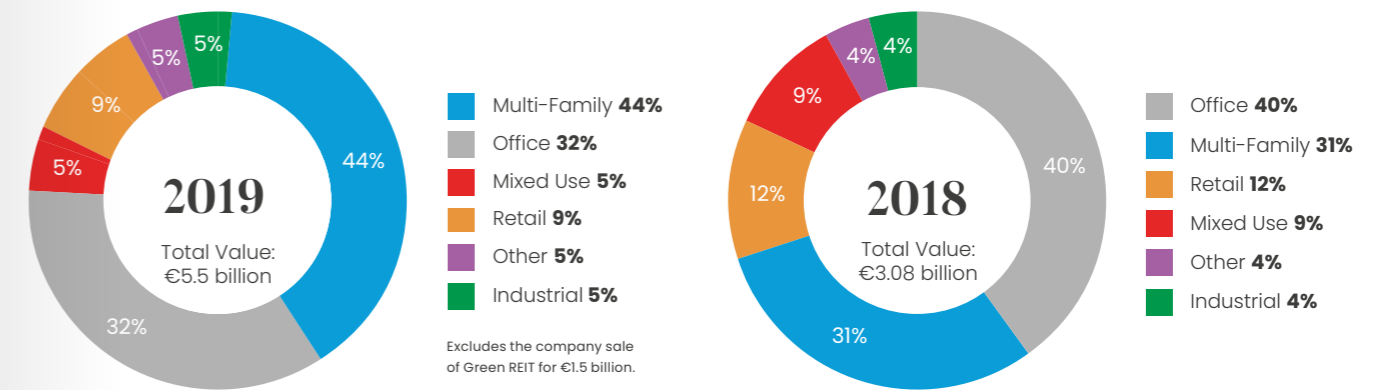
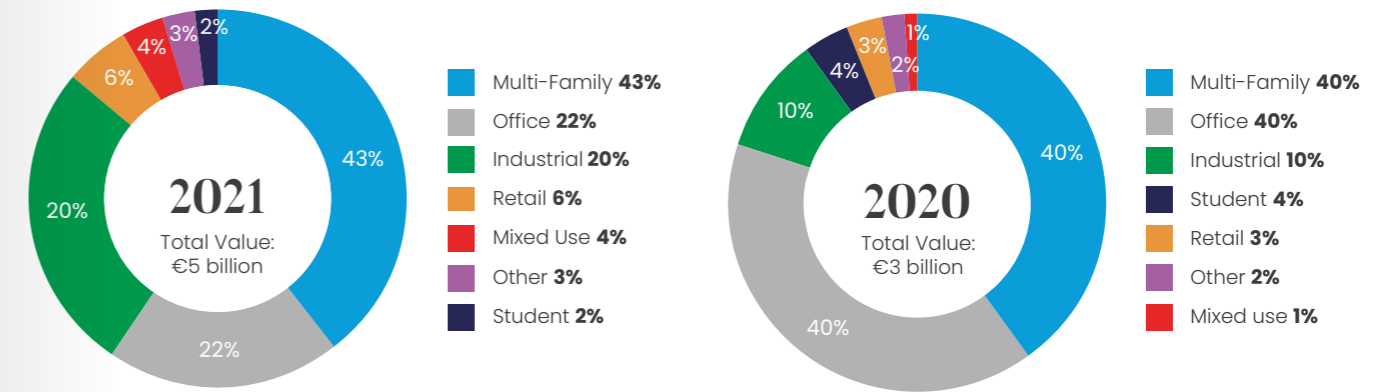
Top Multi-Family / PRS Transactions in H1 2021

PROPERTY	NO. OF UNITS	TYPE	REPORTED PRICE	AVG. PRICE PER UNIT	PURCHASER
1 Multi Location Portfolio	c. 900	New Build	€450m	€500,000	Ardstone Capital
2 8th Lock, Royal Canal Park, Rathborne, Dublin 15	435	New Build	€200m	€460,000	Union Investment
3 Portfolio in Dublin 11 & 13	401	New Build	€181m	€451,000	Ardstone Capital
4 Griffith Wood, Griffith Avenue, Dublin 9	342	New Build	€176.5m	€516,000	Greystar
5 East Village, Clay Farm, Leopardstown, Dublin 18	295	New Build	€127m	€430,000	BlackRock / SW3
6 Off-Market - Dublin	151	New Build	€66m	€437,000	Private
7 Marina Village, Greystones, Co. Wicklow	134	New Build	c. €64.5m	€481,000	Real IS
8 Off-Market - West Dublin	150	New Build	€48.25m	€322,000	Private
9 Off-Market - Dublin Portfolio	62	New Build	€30m	€484,000	Private
10 Robin Hill, Dundrum, Dublin 14	51	Existing Stock	€23.5m	€461,000	Clúid Housing
11 Off-Market - Dublin Portfolio	55	Existing Stock	€20.2m	€367,000	Principal Real Estate
12 Blackhall Square, Smithfield, Dublin 7	39	New Build	€20m	€513,000	Aberdeen Standard
13 Blackbanks, Raheny, Dublin 5	40	New Build	€19m	€475,000	Clúid Housing
14 Hampton Gardens, Balbriggan, Co. Dublin	40	Existing Stock	€9.7m	€243,000	Solas Living
15 Fawn Lodge & Deerpark House, Castleknock, Dublin 15	27	Existing Stock	€9.5m	€352,000	Solas Living
16 Craddockstown, Naas, Co. Kildare	40	Existing Stock	€8m	€200,000	Solas Living
17 Primrose Gate, Celbridge, Co. Kildare	27	Existing Stock	€4.81m	€178,000	Solas Living
18 Ivory Building, Lime Street, Dublin 2	9	Existing Stock	€3.6m	€400,000	Seapoint
19 Eblana Avenue, Dún Laoghaire, Co. Dublin	12	Existing Stock	€3.375m	€281,000	Solas Living
Total	3,210		approx €1.45 billion		

Top Multi-Family / PRS Transactions in H2 2021

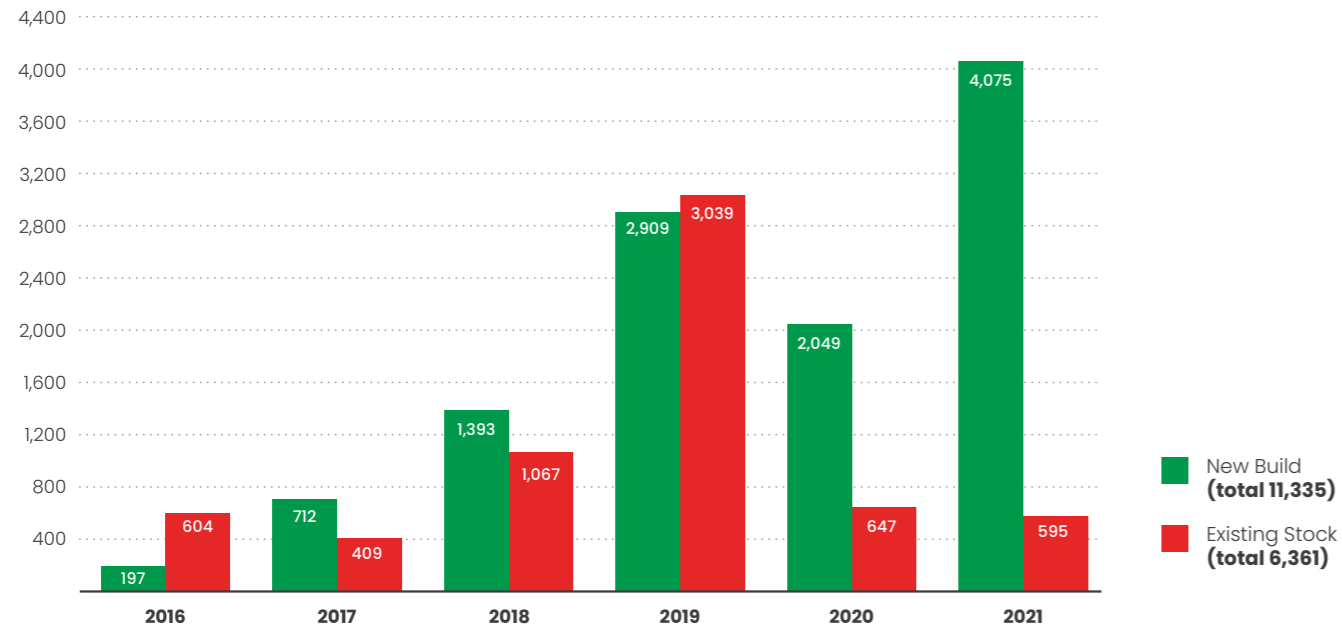
PROPERTY	NO. OF UNITS	TYPE	REPORTED PRICE	AVG PRICE PER UNIT	PURCHASER
1 Off-Market - Greater Dublin Area	c.300	New Build	€110m	c.€367,000	Private
2 Windmill, Clonsilla, Dublin 15	211	New Build	€73m	€346,000	Urbeo
3 Roselawn, Foxrock, Dublin 18	142	New Build	€70.7m	€498,000	Aberdeen Standard
4 Ashbrook, Clontarf, Dublin 3	152	108 Existing Stock 44 New Build	€66m	€434,000	IRES
5 Rostrevor Place, Rathgar, Dublin 6	107	New Build	€63.55m	€594,000	Private
6 Off-market South Dublin	101	New Build	€57m	c.€564,000	Private
7 Knockrabo, Mount Anville Road, Dublin 14	63	New Build	€40m	€635,000	Real I.S.
8 Off-market Dublin	78	New Build	€35m	€449,000	Private
9 The Butter Yard, Blackrock, Co. Dublin	67	New Build	€32.4m	€484,000	M&G Real Estate
10 The Casino, Malahide, Co. Dublin	69	Existing Stock	€28.5m	€413,000	Seapoint Capital
11 Prospect Hill, Finglas, Dublin 11	54	Existing Stock	€15m	€278,000	Private
12 The Atrium, Beechwood Court, Stillorgan, Co. Dublin	25	Existing Stock	€9.55m	€382,000	LRC Group
13 Pim Street, Dublin 8	28	Existing Stock	€9.05m	€323,000	LRC Group
14 Off-market Dublin 1	16	Existing Stock	€7.8m	€487,500	Private
15 Off-market Wicklow	20	Existing Stock	€5.635m	€282,000	Private
16 Meath Street, Dublin 8	13	New Build	€5.6m	€431,000	New Beginning
17 The Granary, Richmond Road, Dublin 3	14	Existing Stock	€5m	€357,000	Private
Total	1,450		approx €633.79 million		

Total Dublin Investment Market Transactions by Value



5. New Build Multi-Family/PRS Sales

Dublin Multi-Family/PRS Volume of Residential Units Transacted 2016 - 2021

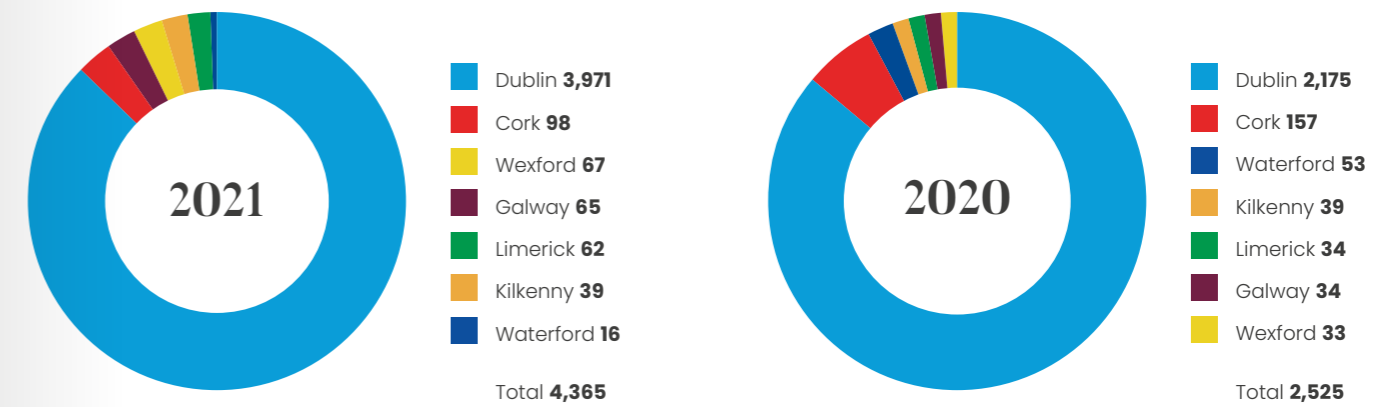


Analysis: Hooke & MacDonald Research

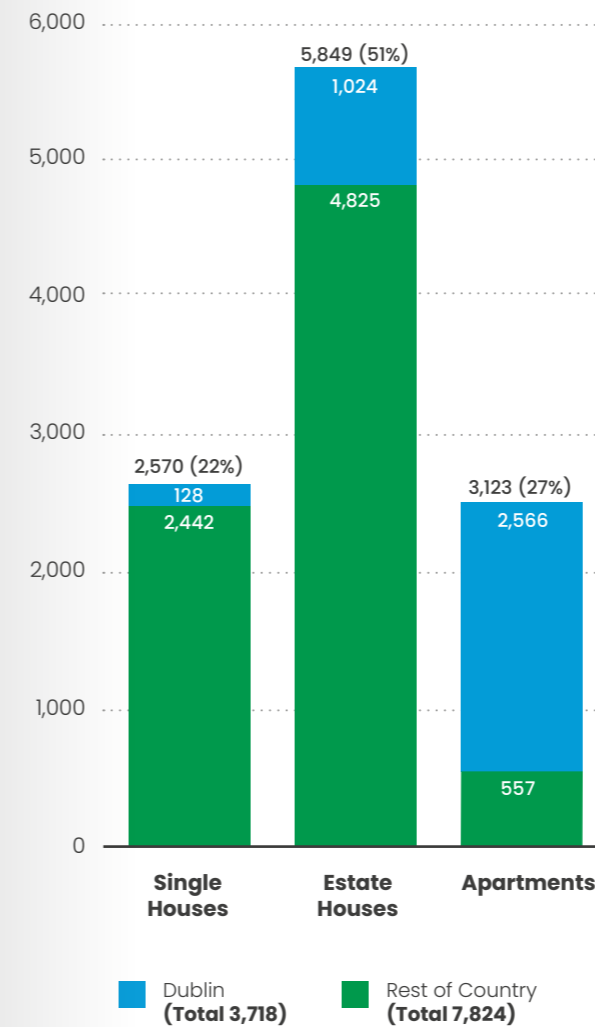


6. Nationwide Residential Completions

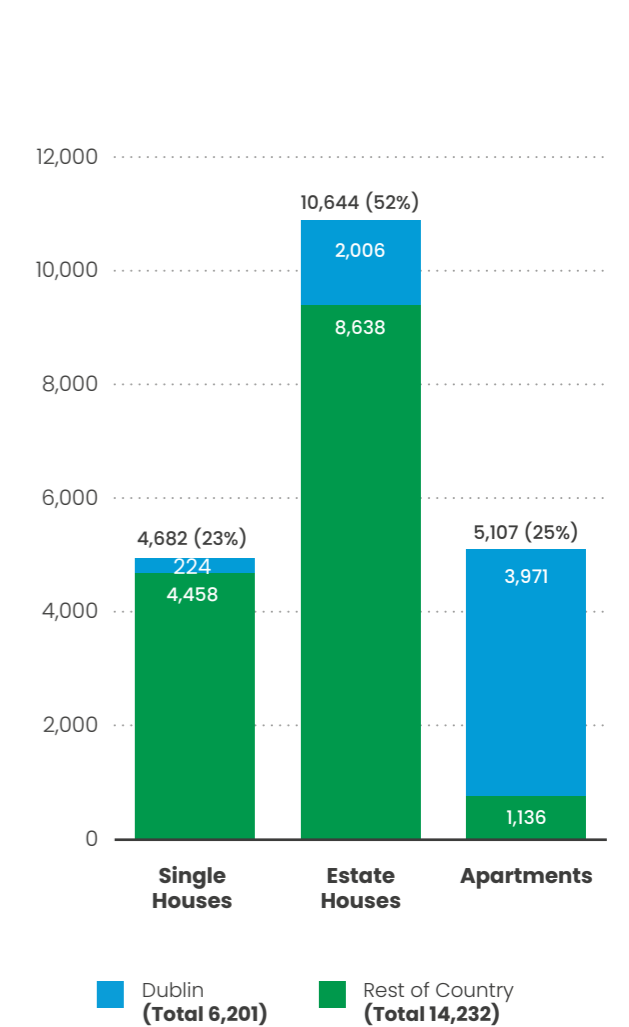
Apartment Completions in Main Towns & Cities



New Residential Completions Nationwide H2 2021



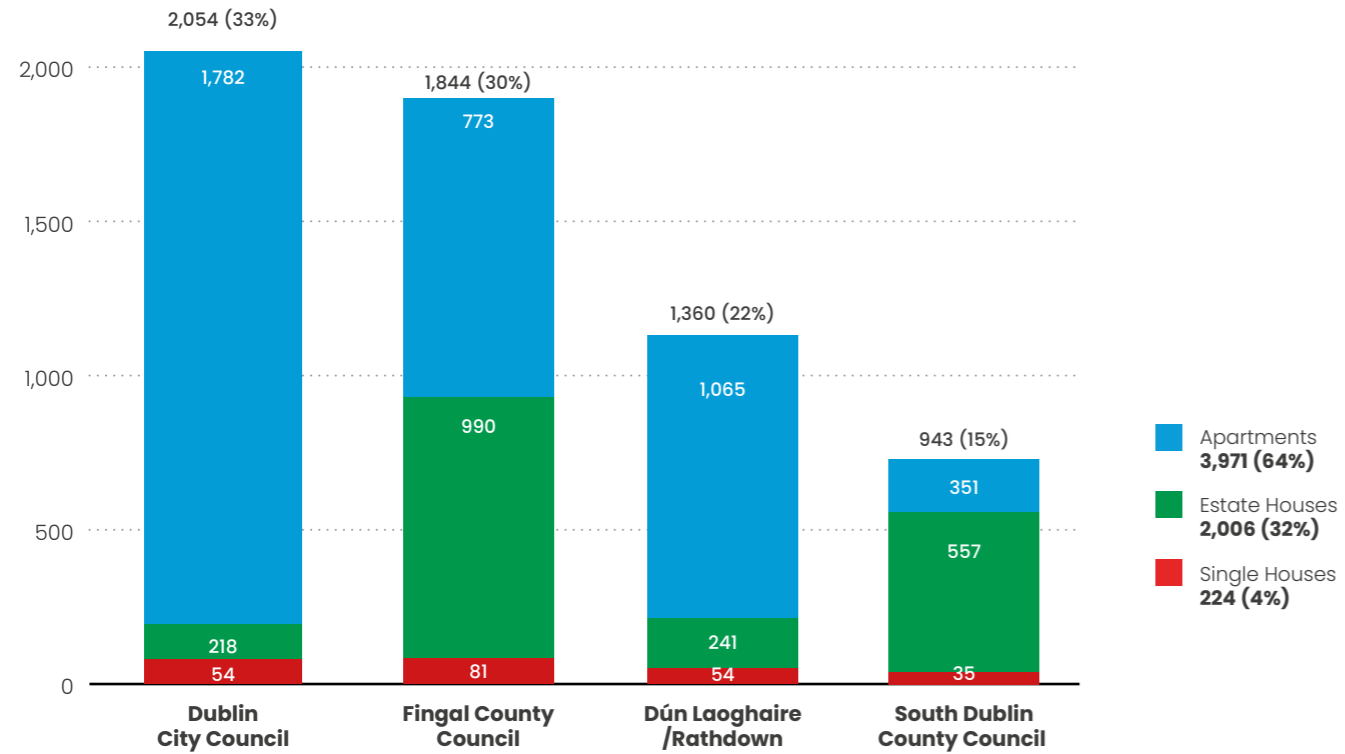
New Residential Completions Nationwide 2021



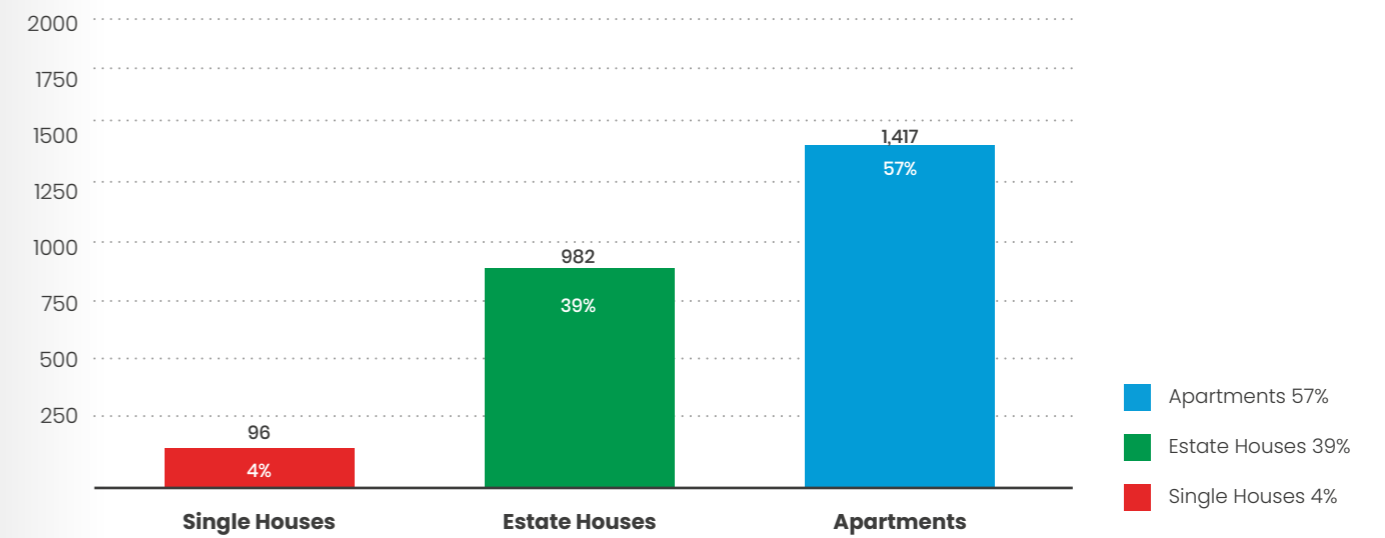
Source: CSO. Analysis: Hooke & MacDonald Research

7. New Residential Completions in Dublin

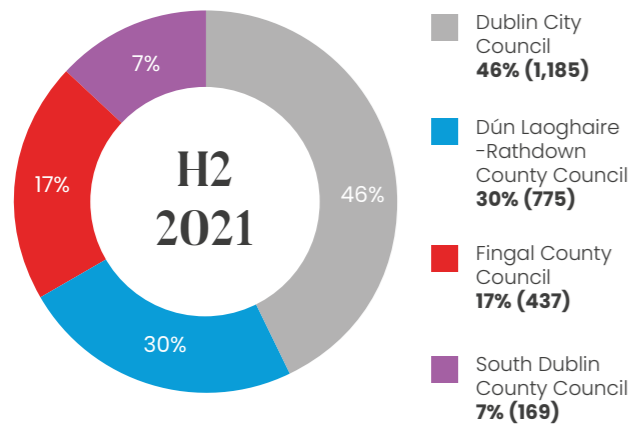
2021 Completions of New Homes in Four Dublin Local Authorities



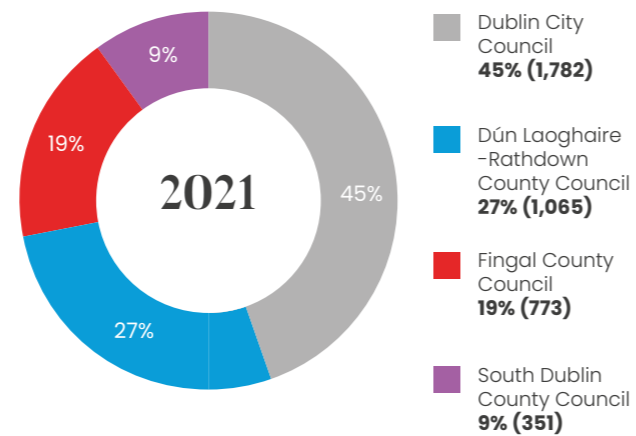
New Residential Completions Dublin H1 2021



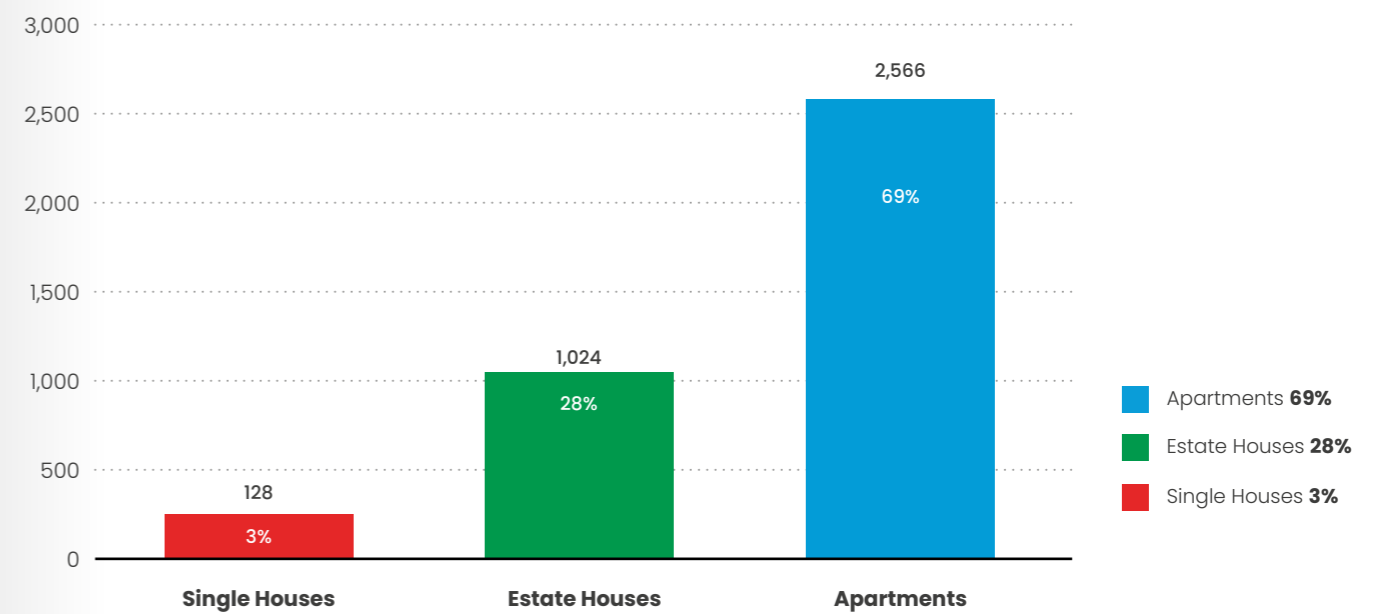
2,566 Apartments completed in Dublin in H2 2021



3,971 Apartments completed in Dublin in 2021



New Residential Completions Dublin H2 2021



8. Meeting Ireland's Housing Needs

By Bob Jordan, CEO of The Housing Agency



The Housing Agency is a State agency with the role of providing expertise and solutions to help deliver sustainable communities throughout Ireland.

In September 2021, the Government published Housing for All: A New Housing Plan for Ireland. This plan outlines a commitment to growing housing supply in Ireland over the next decade: 213 Actions and over €4bn of state funding each year will enable the supply of over 300,000 homes by 2030. The scale and ambition of the strategy will require input from all actors in the housing sector, given its aim of providing an optimal mix of social, affordable, and private housing both for sale and rent.

HOUSING FOR ALL: A NEW HOUSING PLAN FOR IRELAND

Housing for All's primary objective is that everyone in the state should have access to good quality homes, to purchase or rent at an affordable price, built at a high standard and in the right place, and offering a high quality of life.

Overall, the plan projects the construction of more than 300,000 new build homes by 2030 across three categories: social, affordable & cost rental, and private rental & private ownership. This includes the construction per year by 2030 of 10,200 social homes, 6,300 affordable & cost rental homes, and 24,000 private rental & private ownership homes [See Figure 1].

This is a detail-oriented plan, with its major objectives organised according to four pathways.

Pathway 1: Supporting Homeownership and Increasing Affordability

Housing for All's first pathway is focused on supporting homeownership and increasing affordability. The measures outlined are underpinned by the Affordable Housing Act 2021. They include two new affordability schemes aimed at supporting first-time buyers on moderate incomes to buy their first home.

The first, the Local Authority-led Affordable Dwelling Purchase Arrangement, will operate in certain local authority areas with the greatest housing requirements and affordability challenges. Affordable homes will be developed by local authorities or in

partnership with the Land Development Agency (LDA), housing developers and Approved Housing Bodies. A discount on the open market value will be achieved through a combination of low-cost land and other specific State funding, and the local authority will hold an equity stake in each home equal to the value of the discount. The purchaser may buy out the equity stake at any time, although there is no requirement to do so.

The second, the First Home Shared Equity Scheme, is a national scheme aimed at assisting first-time buyers requiring support to purchase new-build homes in private developments on the open market. Under this scheme, the State, in partnership with participating banks, will provide eligible purchasers with an equity stake of up to 30% of the cost of a new home (20% when Help to Buy is also used) for sale on the open market that is below relevant location-based price caps. The equity share may be bought out at any time and, after five years, an annual charge will apply to the equity share value.

In addition to first-time buyers, both affordable purchase schemes will also cater for people who have separated from their spouse and no longer have an interest in a family home.

Alongside shared equity schemes, other measures to expand homeownership and increase affordability include:

- **Rolling out Cost Rental at scale**, with approximately 10,000 Cost Rental homes to be delivered by Local Authorities, Approved Housing Bodies, and the LDA in the period to 2026. The Affordable Housing Act 2021 sets out a statutory basis for this new tenure model: Cost Rental homes must be designated as such for at least 40 years and must have rents that are calculated to cover the cost of housing delivery, finance, management and long-term maintenance.
- **Launching 'Project Tosaigh'**. This will see the LDA enter into 'forward purchase' transactions with housebuilders and/ or landowners to unlock and accelerate delivery on planning-consented residential land that is currently in their control. This will enable the delivery of up to 5,000 affordable homes. A call for expressions of interest was issued by the LDA to landowners and housebuilders in late 2021.
- **Changes to Part V**. The requirement in Part V of the Planning and Development Act 2000, to provide 10% of the uplift in value of zoned residential land for social housing, has been increased to a mandatory 20% for not only social, but also affordable and cost rental housing. The new provisions include transition

Housing for All Pathway 1



arrangements for land purchased between 1st of September 2015 and 1st August 2021.

- **Reform of the Local Authority Home Loan Scheme**. The current Local Authority mortgage product has been reformed. Under the Local Authority Home Loan Scheme, the income limit for single applicants has been increased from a gross income of €50,000 up to €65,000 in the Greater Dublin Area as well as Cork and Galway and the interest rate has been reduced.

Pathway 2: Eradicating Homelessness, Increasing Social Housing Delivery and Supporting Social Inclusion

Housing for All's second pathway concentrates on eradicating homelessness, increasing social housing delivery and supporting social inclusion.

The plan commits to working towards the eradication of homelessness by 2030, in line with the Lisbon Declaration on Combatting Homelessness. This includes the expansion of Housing First, a housing-led approach to address the needs of those with a history of rough sleeping or long-term use of emergency accommodation.

In the area of social housing, Housing for All outlines the largest house building programme in the history of the state. A range of delivery mechanisms will assist Local Authorities and AHBs to deliver more than 90,000 social homes to 2030. These will ensure long-term ownership of social housing homes by Local Authorities and AHBs, with current long-term leasing arrangements to be phased out by 2025.

Figure 1: Housing for All: Projected Housing Output (New Build) 2022-2030

TENURE	2022	2023	2024	2025	2026	2027	2028	2029	2030
Social Homes	9,000	9,100	9,300	10,000	10,200	10,200	10,200	10,200	10,200
Affordable and Cost Rental Homes	4,100	5,500	6,400	6,400	6,100	6,300	6,400	6,300	6,300
Private Rental and Private Ownership Homes	11,500	14,400	17,750	18,200	19,800	20,400	21,500	23,000	24,000
Total Homes	24,600	29,000	33,450	34,600	36,100	36,900	38,100	39,500	40,500

Meeting Ireland's Housing Needs (continued)

Pathway 3: Increasing New Housing Supply

Housing for All's third pathway supports the goal of building over 300,000 new homes by 2030. Measures include:

- **The introduction of Kenny Report style active land management powers** to more fairly share the increase in land values resulting from zoning decisions, including a new system of Land Value Sharing.
- **The designation of new Urban Development Zones** which have potential for significant development for housing and other purposes. Both Land Value Sharing and Urban Development Zones will allow the State to secure a greater share of community gain from the planning and development process and have been progressed through the general scheme of the Land Value Sharing and Urban Development Zones Bill 2021, published in December.

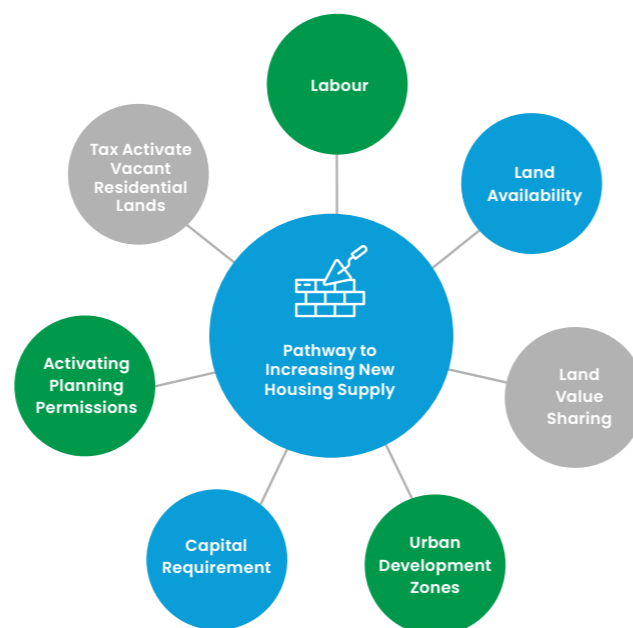
- **The introduction of new planning arrangements for Large-Scale Residential Developments**, to replace the current Strategic Housing Development Arrangements. These have commenced through Planning and Development (Amendment) (Large Scale Residential Development) Act 2021, signed into law in December.
- **Activating planning permissions that have been granted but not commenced through a new Croí Cónaithe (Cities) fund.** Managed by The Housing Agency, this fund will address viability barriers to development and will be available to apartment developments over certain height and density thresholds. By stimulating development, the fund will ensure that apartments are available for sale to individual purchasers in our cities.
- **A new tax to activate vacant land zoned for residential purposes** will seek to ensure that housing developments come to fruition quickly.



Housing for All Pathway 2



Housing for All Pathway 3

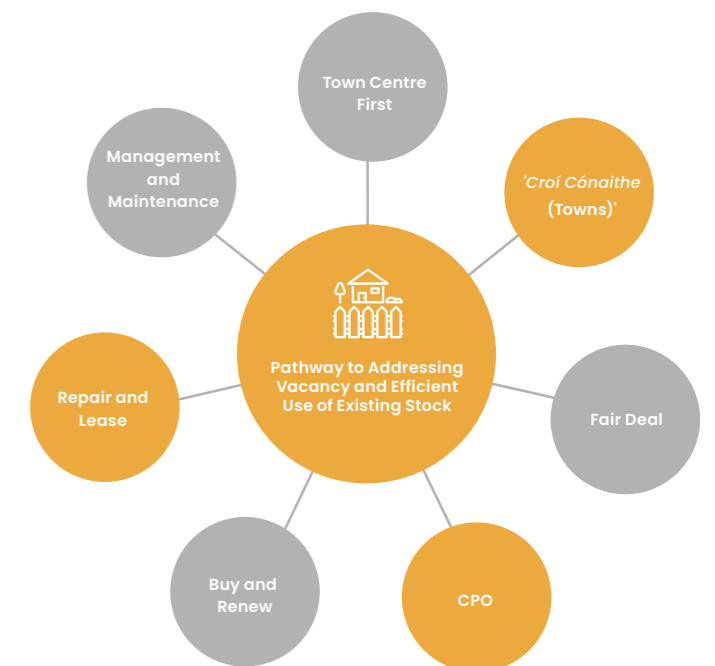


Pathway 4: Addressing Vacancy and Efficient Use of Existing Stock

The fourth pathway of Housing for All addresses vacancy and the efficient use of existing stock and seeks to reimagine and transform our cities and towns through increased residential development. Measures include:

- **The establishment and funding of a Town Centre First policy** with the aim of aligning policies and targeting resources to deliver the best outcomes for town centres.
- **The launch of a Compulsory Purchase Order (CPO) Programme for vacant properties**, which will assist local authorities to acquire at least 2,500 vacant units by 2026 and present them to the market for sale.
- **The introduction of a new Croí Cónaithe (Towns) fund**, which will allow Local Authorities to provide serviced sites for housing to attract people to build their own homes and support the refurbishment of vacant properties in small towns and villages. By 2025, 2,000 sites will be made available for homes through this fund.

Housing for All Pathway 4



Meeting Ireland's Housing Needs (continued)

THE ROLE OF THE HOUSING AGENCY

During the lifetime of *Housing for All*, The Housing Agency will support the delivery of more affordable homes, activate housing delivery, deliver social housing, and address social inclusion issues, all with a view to achieving an integrated housing system that meets the nation's needs and promotes sustainable communities. Key areas where The Housing Agency is working to deliver housing solutions and implement Government housing policy include:

- Delivering Cost Rental Housing at scale in collaboration with Approved Housing Bodies and Local Authorities.
- Developing sustainable homes and communities by managing the Croí Cónaithe (Cities) Fund.
- Delivering affordable housing through the provision of central loan underwriting services to local authorities.
- Supporting the Department of Housing, Local Government and Heritage and local authorities in delivering Local Authority-led Affordable Dwelling Purchase Arrangements.
- Supporting the Department of Housing, Local Government and Heritage in the nationwide rollout of the First Home Shared Equity Scheme.
- Ensuring consistent application across local authorities of the new arrangements for social and affordable housing under Part V of the Planning and Development Acts 2000 to 2021.
- Overseeing the Mortgage to Rent Scheme, which enables homeowners who cannot meet their mortgage repayments to stay in their homes as tenants. An average of 1,000 households a year are targeted to be assisted by the scheme.

DELIVERING COST RENTAL AT SCALE

Cost rental is a new form of tenure. It aims to have high quality homes available for rent at levels below market rates while sufficient to meet financing, management and maintenance costs.

The Housing Agency has been central to developing a vision for cost rental in Ireland. We promoted the concept to policymakers in the Irish housing sector when we co-hosted an exhibition on the Vienna model of cost rental with Dublin City Council in 2019.

The Agency also supports the delivery of cost rental homes by managing and administering the Cost Rental Equity Loan (CREL) available to Approved Housing Bodies, on behalf of the Department of Housing, Local Government and Heritage.

Two CREL supported schemes have been delivered so far, both in collaboration with Clúid Housing. These include the State's first Cost Rental homes, at Taylor Hill, Balbriggan. These 25 homes include a mix of two-, three- and four-bedroom properties, with rents starting at €935 per month – significantly below open market values. While at Barnhall Meadows, Leixlip, Co. Kildare, 40 homes have been delivered, with rents starting at €900 per month. We are also facilitating the delivery of cost rental homes by Tuath Housing and Respond, on public land at Enniskerry Road in partnership with Dún Laoghaire-Rathdown County Council.

Working in the context of Housing for All, The Housing Agency will continue to ensure that Cost Rental homes are provided at scale in the period up to 2030.

SUSTAINABLE HOMES AND COMMUNITIES: THE CROÍ CÓNAITHE (CITIES) FUND

The Housing Agency is working to develop sustainable homes and communities by managing the new Croí Cónaithe (Cities) Fund on behalf of the Department of Housing, Local Government and Heritage.

This fund aims to activate the development of apartments in high density areas in our cities and urban areas and make them available for sale to prospective homebuyers. To achieve this, it will

support activation of planning permissions for apartments already secured by the 31st January 2022 to be delivered by the end of 2025.

The fund will help realise this vision by providing funding to developers. Submissions will be sought for developments in Dublin City; urban areas of Dublin County; Cork; Limerick; Galway; and Waterford, and which meet the eligibility criteria. These criteria include that apartment blocks must be at least four storeys and with a minimum of 40 apartments and that construction must not have started at the time of submission.

Further details can be found on The Housing Agency's website.

The publication of *Housing for All* marks an exciting period for Irish housing policy, one which will require the energies of all stakeholders to be directed towards the delivery of quality, sustainable homes and communities. The Housing Agency is on hand to assist all those involved in the delivery of these new schemes and initiatives, through information, advice, and expertise.

BOB JORDAN, CEO OF THE HOUSING AGENCY

In September 2021, Bob Jordan was appointed CEO of The Housing Agency. Bob has a strong leadership record in the housing sector. Before joining The Housing Agency, he was the National Director of the Housing First programme, which is a key part of the Government's response to long-term homelessness. During 2016–2017, he was Special Adviser to the former Minister for Housing, Planning and Local Government. And prior to that, Bob was Chief Executive of the national housing charity Threshold for nearly a decade. He is a Bachelor of Science (Computer Science & Software Engineering) graduate of Trinity College Dublin and holds a Masters in International Relations from Dublin City University.



9. Sustainable, Vibrant and Liveable Irish Cities

By David Browne, RKD Architects and a member of the Irish Cities 2070 Group

What make a city sustainable, vibrant and liveable? What makes a great city? What will make great Irish cities? A few key qualities make the difference. Attractive public realm, investing in sustainable low-carbon and circular economy systems, intelligent mixing of uses and offering a wide variety of mobility options will help deliver a world class city. Getting these core features wrong can condemn a city to congestion, pollution and a poorer quality of life.

Most of our cities' major challenges – pollution, congestion, liveability and climate action can be improved with better urban planning. Sustainable, vibrant, people friendly and liveable cities have many things in common – cleaner air, less congestion, greater efficiency and using technology intelligently to improve their cities to offer a better way of life drive a more dynamic economy We can learn from European, Scandinavian and other cities and adopt the urban design principles which are the foundations for thriving cities. What helps make a city sustainable, vibrant and liveable? Here are ten key guidelines.

HEALTHY CITY

Human wellbeing and environmental health are one and the same.

The combined effects of rapid urban development, increased urban sprawl, and pollution have overwhelmed many cities' efforts to improve civic health and wellbeing. Sustainable and liveable cities need to apply practices that strategically co-ordinate city, nature, and health under one umbrella. Urban

development must start with respect for the natural landscape. By protecting nature and access to clean waterscapes, cities can offset negative climate effects, such as flooding and urban heat retention, while increasing opportunities for biodiversity and recreation. This all means improved human physical and mental wellbeing.

INCLUSIVE CITY

Cities made for and by the people.

We need to make Irish cities much more accessible, pleasant, and safe places for living, focusing on people, not traffic, with enhancement of people's everyday lives as the key foundation. Decent access to public spaces and services and providing for social interaction are required to shape future Irish cities. Inclusive housing policies must contribute to the Irish cities' capacity to provide housing options for all. Helsinki uses mixed tenure housing to counter social segregation, bringing people of all backgrounds together in its neighbourhoods. We also need to make our cities much more attractive for our ageing population and accommodate a diverse range of occupant abilities.

We need a variety of different housing types within neighbourhoods, drive affordability and enable people to move home internally within neighbourhoods as they age.



RESILIENT CITY

Climate change adaptation across all city actions.

Irish cities need effective balance between adaptation and mitigation to safeguard against climate change, focusing on reduction of greenhouse gas emissions and management of rain and flood events while developing resilience through multifunctional urban spaces, innovative planning tools, and a circular ecosystem.

Augustenborg in Malmö has undergone huge transformation from a deprived residential area with flooding problems to one of Malmö's most popular places to live. Flooding issues were resolved by adding 10,000 sq m of green roof vegetation and the integration of an open stormwater management system. Green roofs have resulted in a 20% reduction in total rainwater run-off. All of Ireland's major cities are in coastal and estuary locations requiring flood defences and other strategies to cope with projected sea level rise.



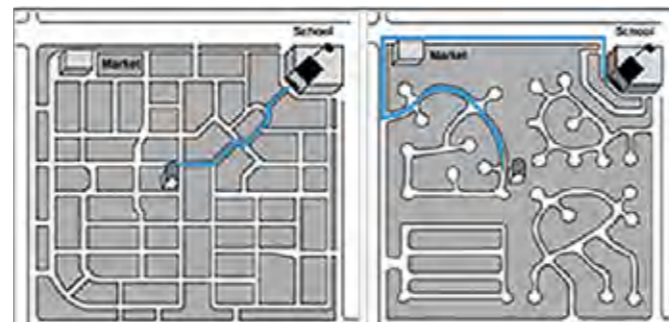
Participation – Placemaking – Economic Development

Irish cities must continually seek to be highly attractive investment locations with strong, vibrant indigenous and multinational companies operating across a diverse range of sectors preferably in clusters. They must attract large young talent bases and provide excellent educational facilities as well as offering a great place to live. The best vibrant cities have diverse physical environments, small mixed use city blocks with more pedestrian interactions, a good mix of people and buildings, and a mix of social, affordable and market tenures. They integrate private and public sector investment and participation using placemaking as a vital part of economic development. People nowadays often speak about placemaking.



Sustainable, Vibrant and Liveable Irish Cities (continued)

What is placemaking? The renowned Danish urbanist, Jan Gehl has said "First life, then spaces, then buildings – the other way around never works" and "In a Society becoming steadily more privatized with private homes, cars, computers, offices and shopping centres, the public component of our lives is disappearing. It is more and more important to make the cities inviting, so we can meet our fellow citizens face to face and experience directly through our senses. Public life in good quality public spaces is an important part of a democratic life and a full life." The concepts behind placemaking originated in the 1960s, when writers like Jane Jacobs and William H. Whyte offered ground-breaking ideas about designing cities that catered to people, not just to cars and shopping centres. Placemaking is the process of creating squares, plazas, parks, streets and waterfronts that will attract people because they are pleasurable or interesting.



MOBILITY CITY

Safe and clean transport for all.

Mobility is a key part of the daily life of people in all cities. Irish cities need to develop many public and private transport options that are connected, convenient, time and energy-efficient, affordable, safe and environmentally friendly. Irish cities should promote sustainable mobility through land use policies and planning. Creating a balance of land uses in any given area, cities are able to incentivise, discourage, or eliminate certain mobility choices. Meanwhile, testing and implementing new technologies will provide more efficient and less polluting modes of transport.



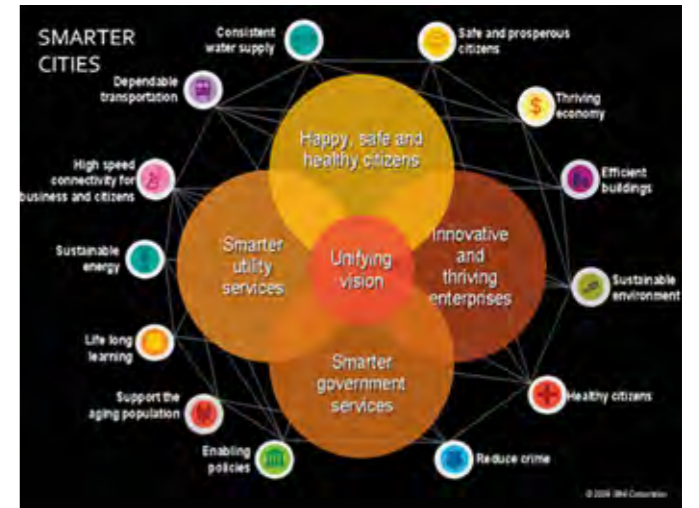
Oslo city centre has been almost car-free since 2019. The city is removing all on-street parking and narrowing car lanes to build new bicycle paths and prioritise pedestrians. For Irish cities, this could mean rolling out strategies to cap car use and limiting car parking further where high quality transit is in place.



SMART CITY

Use technology intelligently

Smart city initiatives are transforming how cities operate and how people interact with each other and their surroundings. Solutions include smart transportation, smart energy grids, and smart waste and water management systems. Empowering people needs to become a key component of Irish city planning. Digital solutions should provide more information to residents and further engagement opportunities in the planning process.



COMPACT GREEN CITY

Balancing density and green infrastructure

Striking a balance between urban density and access to nature is a challenge faced by cities worldwide. Irish cities should not compromise in fostering the benefits of nature, water, and green areas. By defining strategic urban/rural boundaries, fostering development around transport hubs, and making clever use of existing urban spaces, preserving existing and creating new natural green corridors, Irish cities can move to the forefront of green infrastructure planning.

Sustainable, Vibrant and Liveable Irish Cities (continued)



This means building cities around their public transport systems with significantly higher development density than surrounding areas. It also means redeveloping our existing cities, suburbs and towns to make better use of vacant and underutilised public and private assets by retrofitting existing building stock, limiting sprawl around, reducing car parking and, first and foremost, developing brownfield sites before developing any more greenfield sites

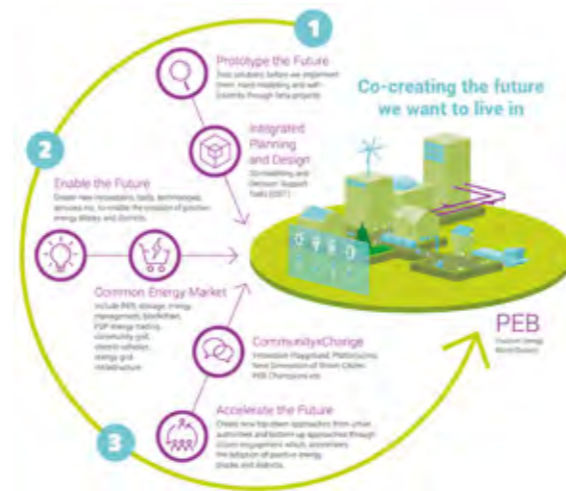
For example, for the past 40 years, Copenhagen has done something revolutionary - the Danish capital has reduced its parking supply, cutting the total number of parking spaces by a small percentage each year which stands in stark contrast to the more common pattern of cities adding more and more parking to accommodate private cars. In addition, in spring 2020, the Danish Capital increased the prices for resident parking tenfold.



LOW CARBON CITY

Growth without increasing emissions.

Irish cities are home to about 60% of the Irish population and need to capitalise on the close proximity of urban residents, converging initiatives that reduce emissions without reducing economic growth. New buildings must become carbon neutral or regenerative, transport networks should encourage



collective journeys, and renewable energy particularly in small urban networks must be integrated into the energy supply for industry, residential areas and public transport.

To achieve this it will be necessary to incentivise design and construction of energy-efficient buildings. This includes offering tax benefit or tax deduction mortgages to encourage energy efficient refurbishment and new high performance buildings. All Irish cities should be comprehensively identifying potential buildings and structures to re-use, renovate or repurpose in local area plans and masterplans. This means creating smart clusters in city blocks or suburban neighbourhoods for energy efficiency and renewable energy strategies as is being trialled in Limerick now under the EU +CityxChange Programme (Positive City Exchange) which sees Limerick, along with Trondheim in Norway, chosen to roll out a project that has the potential to revolutionise how we produce and use energy in European cities and towns and dramatically reduce the carbon footprint of urban areas.



CIRCULAR ECONOMY CITY

Turning waste into a valuable resource.

Irish city's operations must transition from a traditional to a circular economy model with systemic change which will design out waste. Businesses and cities should seek to profit from resource efficiency with the materials used to construct new buildings, the recycling of residents' waste, and the energy pulled from sewage networks all contributing to greater efficiency in the existing urban systems. It also means encouraging design for flexibility and re-purposing, promote self-sufficiency of food production through community gardens or green houses and encouraging a local economy.



Sustainable, Vibrant and Liveable Irish Cities (continued)

CITY OF SHORT DISTANCES

The benefits of proximity.

Paris Mayor Anne Hidalgo's special envoy for smart cities, Professor Carlos Moreno has been working to turn the French capital into what he calls a "city of proximities." His 15-minute concept was developed primarily to reduce urban carbon emissions, reimagining our towns not as divided into discrete zones for living, working, and entertainment, but as mosaics of neighbourhoods in which almost all residents' needs can be met within 15 minutes of their homes on foot, by bike, or on public transit. As workplaces, shops, bars and restaurants and homes are brought into closer proximity, street space previously dedicated to cars is freed up, eliminating pollution and making way for gardens, bike lanes, and sports and leisure facilities. What might this mean for



Irish cities? Similar ideas have been around for a long time. Walkable neighbourhoods and villages were the norm long before cars and zoning codes spread out and divided up cities in the 20th century. Yet the City of Short Distances is a major departure from the recent past, It seeks to return to a more local and somewhat slower way of life, where commuting time is instead invested in better relationships with what is local and nearby. Most Irish cities already have the basic structures to enable their transformation into Cities of Short Distances. Future neighbourhood can be walkable and permeable, encouraging balanced communities with proximity between housing, leisure, education and employment.

Street design can encourage daily walking, biking and transit to support car-free living and leverage and support public transport investments within 15-min walking distances.



CITY OF BEAUTY, IDENTITY AND CULTURE

Celebrate local culture and heritage.

Streets and squares of cities provide spatial pointers to their historical and cultural influences. Cities are not static. They change steadily over the years as history moves on, as people migrate to and from urban areas, and as our ideas on how to live well and progress develop. According to the recent UK Better Building Beautiful Commission Beauty includes everything that promotes a healthy and happy life, everything that makes a collection of buildings into a place, everything that turns anywhere into somewhere, and nowhere into home. It is not merely a visual characteristic, but is revealed in the deep harmony between a place and those who settle there. Ugly buildings present a social cost that everyone is forced to bear. They destroy the sense of place, undermine the spirit of community, and ensure that we are not at home in our world. Ugliness means buildings that are unadaptable, unhealthy and unsightly and which violate the context in which they are placed.



Our built environment and our natural environment belong together. Both should be protected and enhanced for the long term benefit of the communities that depend on them. Settlements should be renewed, regenerated and cared for, and we should end the scandal of abandoned places, where derelict buildings and vandalised public spaces drive people away. New developments should enhance the environment in which they occur, adding to the health, sustainability and biodiversity of their context.



The European Economic and Social Committee's 2016 Culture, Cities and Identity in Europe Study, suggests that if culture is not taken as simple source of entertainment, it can emerge as one of the best performing parts of a city's economy - stimulating innovation, cohesion and strong economic vibrancy. Culture can be a vehicle for economic growth, an instrument for reconverting cities, and a tool for integration and inclusiveness.



This study also identifies that, in a city, identity for citizens occurs at every level, ranging from the historical and traditional image of the city (Dublin is very different from Belfast or Galway), through the identity of neighbourhoods within the city - which change with their level of prosperity and the origin and professions of their inhabitants. The culture of any neighbourhood can depend just as much on the facilities it enjoys, its cafés, theatres, bars and open spaces, as on the people who live there.



Sustainable, Vibrant and Liveable Irish Cities (continued)



Royal Seaport

HOW TO GET THERE?

Unlock communities know-how.

Here in Ireland, we can really help communities to unlock their know-how and innate creativity to visualise and plan ways to regenerate their areas. How do we do this?

Raise local public awareness of the intrinsic value of good design and regeneration and appoint key professional visionaries to lead and manage the conversation. Engage non-professionals in conversations about how we shape our places and the potential to improve our opportunities, experiences and interactions. There are great examples in the work of Free Market to engage communities in the regeneration of their towns. Other examples Stockholm's City Model exhibition and Gothenburg's or Malmo's 3D online platform to engage in future development.



Enable local people to have a say through structured statutory community engagement in the planning and design process. Sustainable visions for communities should be based on the day to day needs and observations of people.

Localism - devolution of responsibilities to the local level, giving new powers and financial autonomy to councils to plan and design their places for their communities with a shift to partnership approaches with local people, building effective dialogue and developing a shared understanding of places, their challenges and their potential.

Future Change - collaborative solutions can create an environment that is more responsive to social and environmental change.

In Sweden they call it "the good conversation". One of the best examples of this is Stockholm's Hammarby Sjöstad and its successor Royal Seaport, both of which are home to a large number of research and development projects with a focus to

improve the social and environmental qualities of the built environment. They both started with "the good conversation", which took quite a long time, but achieve consensus and long term development agreement of 20 years or more.

EMPOWER LOCAL AUTHORITIES

Finally, Ireland needs to provide local authorities with funding, autonomy and empowerment to take ownership of the quality of their places. Our northern European neighbours are successfully using municipal tax that goes directly to the local authority as the key driver to improve the built environment. They are incentivised by gaining direct funding based on their number of citizens to create high-quality built environments that attract citizens to live in their municipalities. The current funding of local authorities in Ireland offers no such incentive to strive for such improvements and this fundamental flaw needs to be addressed.



Clancy Quay, Islandbridge, Dublin, on the River Liffey, including the new blocks developed by Kennedy Wilson (in the background)

Sustainable, Vibrant and Liveable Irish Cities (continued)



Community Engagement



Meanwhile / Flexible Uses



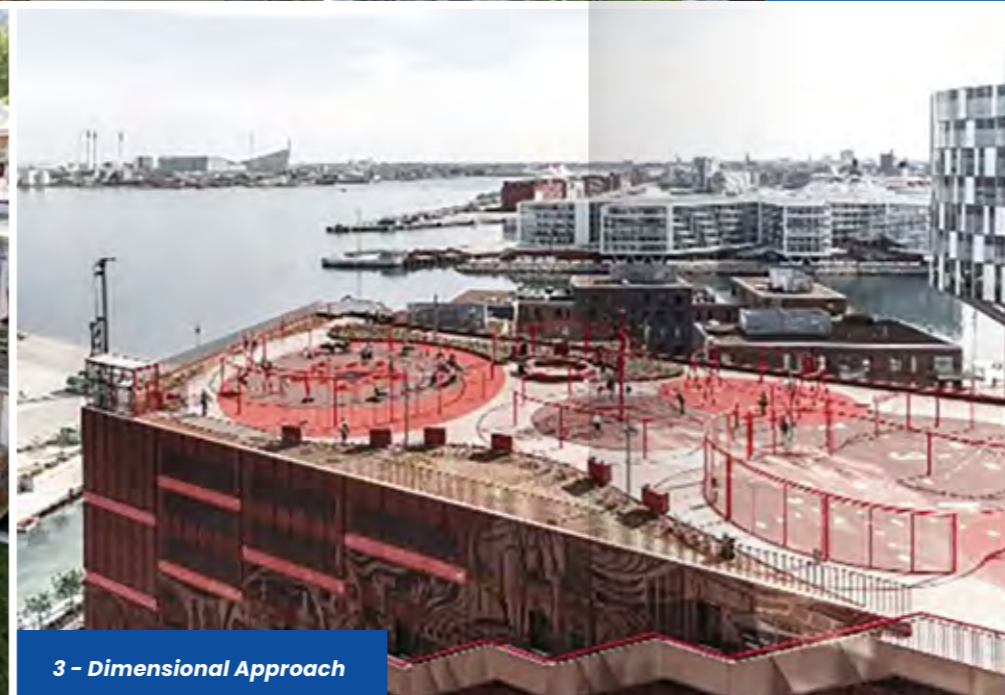
Sustainable Mobility Hierarchy



Re - Use Sites and Buildings



Integration with Nature



3 - Dimensional Approach



Residential Led Mixed - Use



Aesthetic and Typological Variety



Focus on Public Realm

The Irish Cities 2070 Group is a leading group of professionals from the public and private sectors dedicated to fostering the proper planning of Irish towns and cities. They have produced a comprehensive study focused on the future growth, role and character of our towns and cities. Hooke & MacDonald are grateful to the Group for giving us permission to include in this report an excerpt from their Irish Cities 2070 Study.

10. Examples of Quality PRS Resident Amenities

RESIDENT AMENITIES IN DEMAND

There has been excellent interest in and usage of residents internal amenities which have been delivered as part of the new developments built, which have been feeding into the rental market in Dublin over recent years. These areas assist in providing spaces outside of the residents apartments and building communities. They allow for residents interactions and social events, which are becoming very popular.



A selection of photos of the residents internal amenity areas developed by Marlet Property Group at St. Clare's Park, Harold's Cross, Dublin 6W.

11. Irish Home Builders top priority is to deliver accommodation for struggling buyers and renters

By James Benson, Director Irish Home Builders Association

As we pass six months since the launch of the Government’s ‘Housing for All’ plan the latest progress report signals a confidence from Government that the plan is already working as they state.

‘Recent data gives confidence that the targets for delivery of homes for 2022 will be met and very likely exceeded. During 2021, 30,724 new homes were commenced – the highest since 2008. In addition, over 39,000 planning permissions were granted in the 12 months to end-September 2021.’

And whilst yes these figures are positive they should be interpreted with caution. They will not simply mean a direct transfer to the percentage of completions that would have been seen in the past.

Those of us working within the industry are seeing elongated delivery times beyond what is normal for traditional residential and apartment delivery.

A GRANT OF PERMISSION DOESN’T GUARANTEE VIABILITY

This, coupled with a lack of economic viability assessment in our current planning process, means a grant of planning does not guarantee viability with many already granted permissions delayed or never commenced.

It’s well known that Ireland urgently needs to accelerate the building of new homes across all tenures. Since 2008, housing supply has lagged significantly behind demand with current supply of private housing at levels similar to those last witnessed in the 1970s.

For the Irish Home Builders Association our priority is to deliver these much-needed homes for those struggling to access the market or those seeking suitable accommodation. Day in, day out home

builders across the country see the challenges faced by aspiring home buyers and those seeking more suitable accommodation for their families as they struggle with a lack of supply and affordability.

Construction costs continue to be a lead determining factor in housing delivery. Socially it is far from optimal that there would be an unsustainable inflation of house prices, particularly with the current barriers to purchaser’s finance. The alternative is to seek to reduce delivery costs, and this is something outside the direct control of home builders and lies with policymakers.

HOME BUILDERS HAVE DELIVERED SUPPLY DESPITE THE CHALLENGES

Private home builders are regularly questioned on whether the sector has the ability to deliver the number of homes required. Time and time again we have shown how resilient we are as a sector and how we can, and will, step up to meet the challenges foisted upon us. Never was this more evident than over the past eighteen months through-out the Covid-19 pandemic when our members rose to the challenge and continued to deliver homes in the most challenging of conditions.

Our members are committed to supplying homes and creating communities. We want to play our part in solving the current housing crisis but we need to ensure that the challenges which have been impeding delivery for so long are addressed.

To bring efficiencies to traditional residential and apartment delivery and to achieve the full potential and aspirations of ‘Housing for All’ the industry needs to see positive targeted changes to Zoning, Infrastructure, Planning, Construction, Affordability, Viability – ‘ZIPCAV’.

ZONING

The availability of serviced residential zoned land in forthcoming and future county development plans will be critical if national policy, housing demands and housing targets are to be met.

Last year the IHBA commissioned a number of reports which assess current housing targets, housing demands and serviced zoned lands. Some key recommendations and findings of these reports highlighted, amongst others, the need to;

- Defer rezoning of residential lands in the absence of proper assessment;
- Strengthen the two-year review stage;
- Introduction of tier 3 zoning designation;
- Justification for rezoning of lands

In recent years there has been commentary that zoning leads to poor planning. Only poor planning leads to poor planning and the risk of widespread rezoning will only work to further constrain the availability of serviced zoned lands.

INFRASTRUCTURE

As ‘Housing for All’ launched so too did the National Development Plan Review. For many years those within the industry have seen the direct result of under investment in our critical infrastructure. We’ve also seen the frustration and distress this has caused prospective homeowners or those seeking more suitable accommodation. Roads, water and power dictate the completion of all developments.

Currently the onus is on new home purchasers to fund the upgrade and installation of water and wastewater services for new connections, connections which benefit not just the new development but the entire community. This results all too often in viability issues and developments never commence as a result.

It is essential that we see long overdue and critical capital investment which has been provided to Irish Water utilised at local levels. Local network reinforcement is needed to allow new homes to be connected in an efficient and timely manner.

We need all state, semi-state bodies and prescribed bodies to replicate the level of urgency and expertise that the private residential sector continuously illustrates. There are positive indications that this is happening.

Summary of Strategic Housing Development (SHD) applications and stages - January 2022

Stage No.	Description	No. Of Cases	No. Of Units
1	Section 247 Meetings with Council(s)	Unknown	Unknown
2	SHD Pre - Applications Pending	64	23,092
	SHD Pre - Applications Determined	141	43,655
3	SHD Full Applications Pending	46	13,530
	SHD Permissions since 15th October	18	6,804
Total at Risk of Judicial Review Challenge		269	87,091
Current Judicial Reviews		39	11,304
TOTAL EXPOSURE		308	98,395

*current tracker of units coming through the SHD system January 2022

Irish Home Builders top priority is to deliver accommodation for struggling buyers and renters (continued)



PLANNING

In 2022 we will see a long overdue reform and streamlining of our planning system. Unfortunately for some developments this will be too late.

In the earlier part of 2021, we witnessed a significant fall in the volume of applications in terms of units. Thankfully this receded somewhat by mid-year. Whilst some of this decline was likely a direct implication of the Covid-19 restrictions imposed over the first quarter of 2021, it is also the result of the current uncertainty, risk and the cost of planning that we see in Ireland.

Well documented factors impacting the planning system, most notably the substantial rise in the number of Judicial Reviews taken against SHD's (of which a significant number are apartment builds) has resulted in many schemes being substantially delayed or quashed entirely in the courts.

The processing of applications has also been impacted by recent referrals to the European Court of Justice (ECJ). A recent judgement, in January, offered

protection of costs on two grounds which clearly related to environmental issues but has referred the remaining grounds relating to planning points to the ECJ for consideration.

While the referral will, without doubt, cause significant delay to the determination of the case in question for potentially 2 - 2.5 years, it is arguably more significant for the entire sector as it could impact on all JR challenges in the same period. Potentially 98,000 units are at risk until this referral to Europe is concluded.

CONSTRUCTION

"Recent data gives confidence that the targets for delivery of homes for 2022 will be met and very likely exceeded. During 2021, 30,724 new homes were commenced – the highest since 2008."

Home builders are reporting an average 20-week completion timeframe (from footing to turning a key in the door) for a traditional home with apartment development more complex and difficult to compare.

Comparatively 24 months ago this was 16-weeks. Whilst industry figures welcome the positive commencement figures caution is also required given the longer delivery period the sector is currently enduring.

Skills and materials are unfortunately a scarce commodity. This is coupled with delays with state and semi state bodies due to resources and funding which is also impacting greatly on delivering much needed homes.

While it is difficult to make significant change at the build period of developments, due to the highly productive nature of the sector, there is scope within the stages that come before.

AFFORDABILITY

In 2021 the IHBA published a report examining the targeted short, medium and long term measures to put affordability at the Heart of the Housing System. The report reiterated the need to see greater delivery of homes across all tenure types from private, rental and social. A number of initiatives were identified under the following headings:

- Supporting affordability and increasing housing supply by a new Shared Equity Scheme, extending and expanding the Help to Buy scheme, a programme to restore vacant properties and a reassessment of Central Bank guidelines to take rental history into account for mortgage applicants;
- Reassessing current density requirements under planning guidelines and reducing the cost of construction by reviewing the onus on new developments to fund infrastructural and servicing costs;
- Streamlining the planning process (first promised for 2017) to create certainty and speed, provide outline permission early in the process and expedite an online planning service;
- Improve land management and boost delivery on state owned lands;
- Provide greater access to funding at competitive rates for small home builders, a cost benefit analysis of all new regulation and taxation measures to support sustainable development, First Time Buyers and small scale landlords.

VIABILITY

The debate on residential construction costs has rumbled on for years despite the vast number of evidence-based reports by the industry, professional bodies, and independent consultants.

The fact is policy-influenced and soft costs account for 50-52% of the cost of any home. The true costs of delivery accounts for the 'development costs' of a home, whereas some misinformed discussions reference 'all in costs' which solely account for construction costs 'the bricks and mortar' of a home.

What is equally disappointing is that we often see both costs mistakenly conflated in discussions between public and private delivery.

As a result of current policy, guidelines, planning, infrastructure deficits and the availability of services, the true cost of delivery may not be known until a project starts and even then, at a point when significant investment has already been made.

This brings significant risk to all developments for home builders. The residential development process is complex. There are many steps which are time consuming and lead to unnecessary delays. All of these increase the final cost of delivery which is ultimately borne by the buyer.

The total delivery cost of a new home, including typical costs of design / planning, construction, provision of services, profit and risk, is not always sufficient to provide feasible returns; yet the price is above what the first-time buyer and new home purchaser can afford in many locations.

We need to come together to meet these challenges and provide homes to those who so desperately need them. As we have shown with the national effort in dealing with Covid, through real collaboration we can make things work.

JAMES BENSON

James Benson is Director of Housing, Planning and Development Services at Irish Home Builders Association (IHBA), CIF, Canal Road, Dublin 6.

12. The Changes to the Strategic Housing Development (SHD)

An assessment by Downey Planning

FAST TRACK PLANNING

The Strategic Housing Development (SHD) was introduced by the Planning and Development (Housing) and Residential Tenancies Act 2016 in a bid to fast-track the planning application process for certain types of residential developments and to facilitate momentum in providing much needed housing. SHD's are made directly to An Bord Pleanála (ABP) by-passing the traditional planning route. The SHD process is now being replaced by the Large Scale Residential Development (LRD) process.

THE MAIN CHANGES

The change includes an intensive pre-application consultation with the Planning Authority and ABP. The process requires applications to be decided within a mandatory 16-week time period. The SHD provisions applied for an initial period, which was at first until the end of 2019. However, this was further extended by the Minister for Housing, Planning and Local Government for a limited period, up to end December 2021. This was then extended to 25th February 2022 arising from the Covid-related extension of statutory deadlines within the planning system in respect of the period March to May 2020, and in order to facilitate the transition to the new arrangement, namely the Large-scale Residential Development (LRD). The definition of LRD, which has been signed with effective date of 17th December 2021, is largely similar to SHD, i.e. developments of 100 housing units or more, or student accommodation developments comprising 200 bed spaces or more, or a combination of same. An LRD is: (1) a housing development of 100 or more units; (2) student accommodation comprising 200 beds or more; or (3) a combination of the two where the threshold is met for either element.

The two main changes under the new LRD arrangements will allow for: (a) Up to 30% of the gross floor space of the proposed development to be for other uses, instead of the 15% cap under the SHD arrangements; and (b) Mixed developments combining housing and student accommodation to be classified as an LRD where the threshold is met for either element.

Figure 1. Decision-making Process for an LRD Application



The new streamlined arrangements for LRDs, replacing SHDs, restores the two-stage planning process with decision-making returning to the local authorities and the subsequent right of appeal to An Bord Pleanála. It is expected to provide greater transparency and clarity and improved public participation in the process with requests for further information also reintroduced. It also seeks to expedite the delivery of housing supply while providing certainty and stability to the overall process by retaining some of the positive elements of the SHD arrangements such as mandatory pre-application consultation, quality of applications submitted and decision timelines.

The transitional arrangements in relation to the expiry of the SHD arrangements replaced by the new LRD arrangements includes: (1) SHD prospective applicants/developers already in receipt of an SHD opinion under the SHD arrangements on the commencement of the Act (17 December 2021) will have 16 weeks to submit an SHD application to the Board from the 17 December 2021; and (2) SHD prospective applicants/developers who have formally commenced consultations with the Board and are awaiting an SHD opinion on the commencement of the Act (17 December 2021) will have 16 weeks to submit an SHD application to the Board from the date of receipt of the SHD opinion.

At this juncture, the following article reviews the operation of SHD from 2017 to date, and outlines an overview of other recent policy changes to the Planning & Development Act.

A REVIEW OF SHD PROCESS

The following provides a review of the operation and effectiveness of the SHD process 2017 to date¹. The data indicates that an overall total of 377 cases has been recorded under SHD applications since 2017. Of which 241 cases were granted permission, 77 cases were refused, 6 cases were withdrawn, 25 cases were

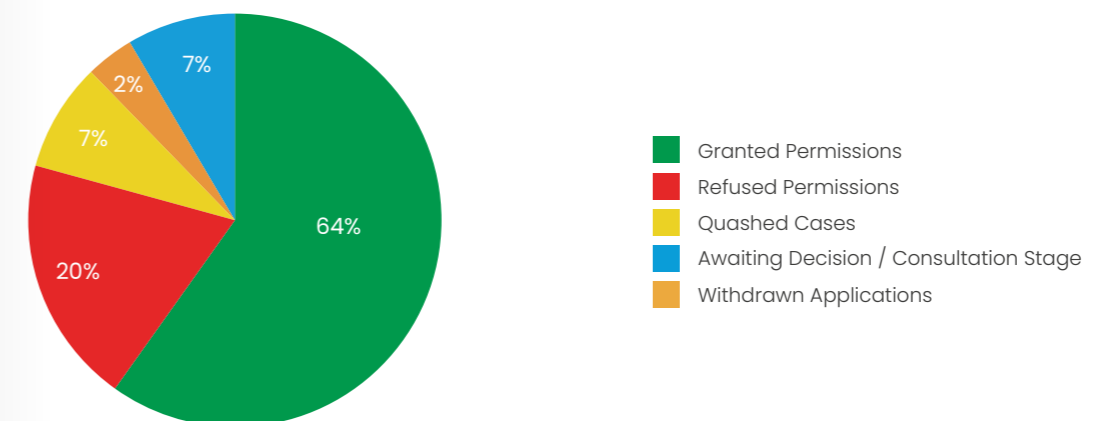
quashed, and 28 cases are at consultation stage or awaiting decision for the time being.

The overall SHD cases lodged over this period, regardless of the final decision made on them, would have potentially provided for an overall total of 16,253 bed spaces as student accommodation, 2,855 shared accommodation units, and 103,670 dwellings. The latter would have comprised of 24,948 houses, 64,639 apartment units, and 14,029 built-to-rent units.

In terms of decisions, ABP have granted permissions for an overall total of 14,569 bed spaces as student accommodation, 1,376 shared accommodation units, and 64,612 dwellings since 2017. The latter comprises of granted permissions for 14,821 houses, 40,238 apartments, and 9,553 built-to-rent units since SHD process came into operation in the State.

To provide an overview of the effectiveness of the decisions on the cases, as summarised in the Table below, provision for student accommodation was the least being affected by decision making process, i.e., the granted permissions show -10% difference as the total number of cases submitted to the Board. At the other extreme, provision for shared accommodation was affected the most, showing a drop of more than 50% from the overall number of cases submitted.

Figure 2: An Overview of the Submitted SHD Applications since 2017



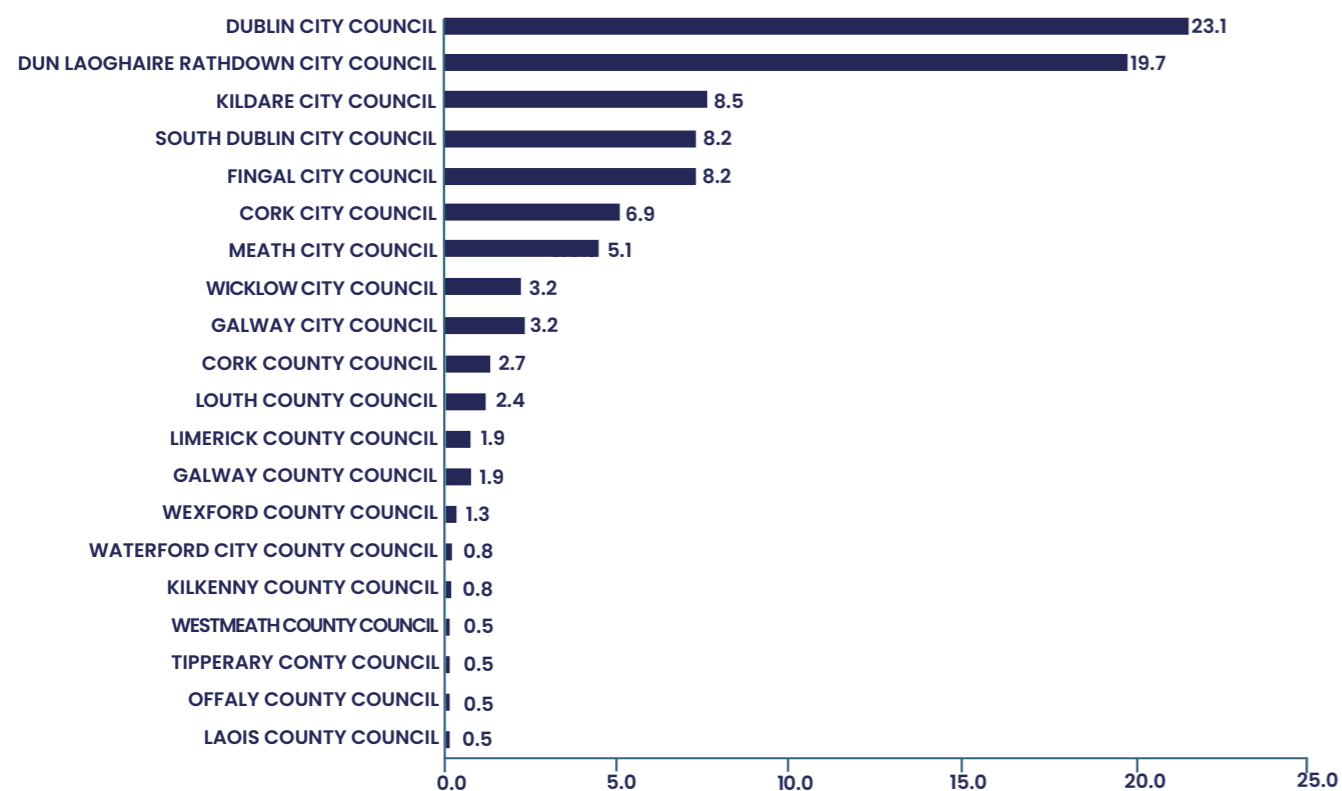
¹The data utilised within the assessment is primary data captured from FP Logue Solicitors, a law firm based in Dublin, which maintains a tracker list of all the SHD applications to APB, and the Public Access of APB. These data lists were then compiled, enhanced, and updated as to provide for a comprehensive and up to date set of information when carrying out the assessment. As per the date of carrying out the assessment, the gathered data covers the details on SHD's over the period 2017 to December 2021.

The Changes to the Strategic Housing Development (SHD) (continued)

Table 1. A Comparison of Accommodation Provision in Submitted SHD Cases and Granted Permissions

	No. of Bed Spaces	No. of Shared Accommodation units	No. of Houses	No. of Apartments	No. of BTR's	Overall Dwellings
Submitted Cases	16,253	2,855	24,948	64,639	14,029	103,670
Granted Permissions	14,569	1,376	14,821	40,238	9,553	64,612
% Difference	-10%	-52	-41	-38	-32	-38

Figure 3: Breakdown of SHD Cases into local Authorities

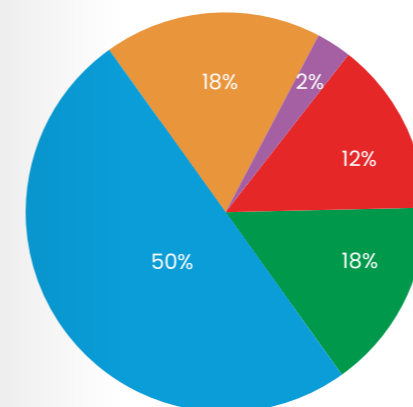


As illustrated in the Table below, an overall total of 80,557 units were permitted under SHD process. Of which 64,612 are provisioned for housing in different types of houses, apartments, and built-to-rent units. This indicates that c. 50% of the overall accommodation units permitted under SHD provide for apartments followed by houses and bed-space provision (c. 18% each), and BTR apartments (12%).

Table 2. Types of Permitted Accommodations over 2017 to Dec. 2021

no. Bed Spaces	no. Shared Accommodation Units	no. of Houses	no. of Apartments	no. of BTR
14,569	1,376	14,821	40,238	9,553

Figure 4: Types of Permitted Accommodation under SHD Process



■ No. of Apartments
■ No. of Houses
■ No. of Bed Spaces
■ No. of BTR
■ No. of Shared Accommodation Units

The analysis of the available data indicates that it took 117 days on average (c.16 weeks) for the Board to make a decision on a given SHD application. However, when it comes down to the pre-lodgement stage, the pre-planning stage of the process has been lengthier than initially envisaged. The data shows that from the date of holding a section 5 pre-planning meeting to the date of lodgement of application to the Board, it took on average 177 days, or c. 25 weeks. Considering an average of 3-4 weeks for issuing the Board Opinion Letter to the applicant/agent of the applicant, the preparation of an application took on average 21-22 weeks, which is notably longer than originally anticipated. This is due to the complexities of SHD applications in general, and the level of detail now involved for application lodgement stage.

The data indicated that a total overall of 71 judicial reviews have been made on the Board decisions. Comparing this to the granted permission cases, it is submitted that 27% of the Board decisions were questioned. Of these overall reviews, 38 are still pending a decision with the rest recorded as 26 reviews had a grant permission, 5 being withdrawn, and 2 being refused.

2021 KEY CHANGES

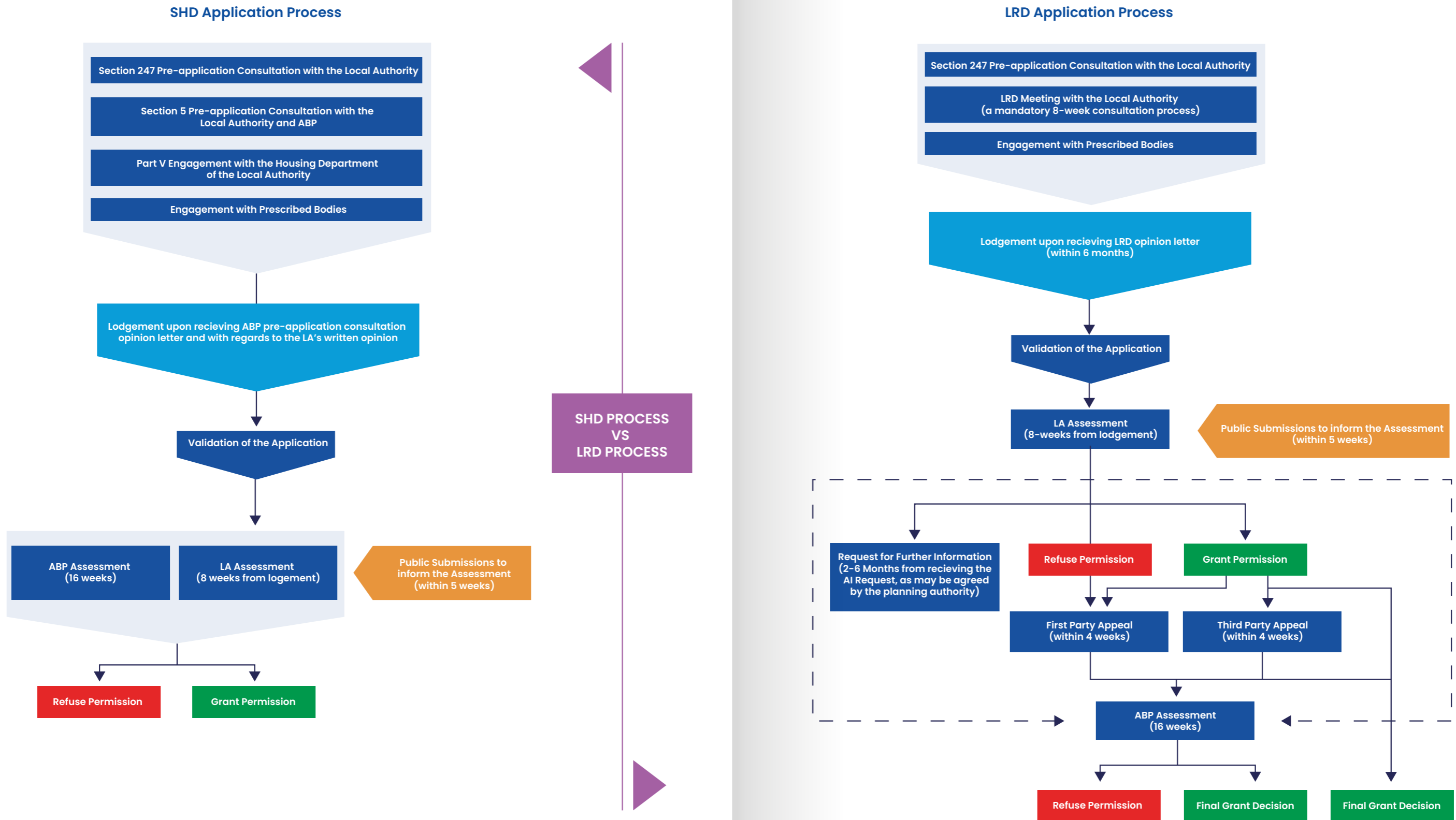
Affordable Housing Act 2021 and Housing Circular 28/2021

The Affordable Housing Act 2021 amended Part V of the Planning and Development Act 2000. The Programme for Government contained commitments in relation to expanding Part V to encompass affordable purchase and cost rental units and introducing affordable homes requirements to Part V. Part 6 of the Affordable Housing Act 2021, which was enacted on 21 July 2021, gives effect to this commitment. The principal change to Part V increases the Part V contribution for new housing developments from 10% social housing to a mandatory 20% requirement, at least half of which must be applied to social housing provision and up to half of which may be applied to affordable and cost rental housing.



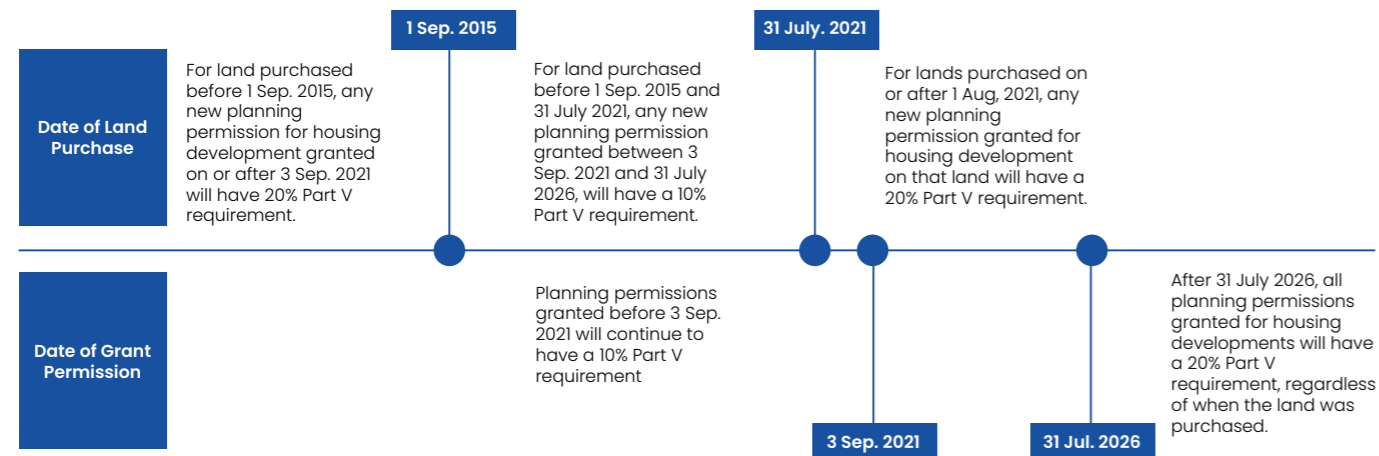
The Atrium, Beechwood Court, Stillorgan in which 25 existing apartments were sold in Q4 2021

Figure 5: Comparing Decision-making Process for an SHD Application against LRD Application



The Changes to the Strategic Housing Development (SHD) (continued)

Figure 6: Types of Permitted Accommodation under SHD Process



CIRCULAR LETTER EUIPR 01/2021 (10 SEPTEMBER 2021)

Extension of Duration of Planning Permission

From 9th September 2021, the Circular 01/2021 amended section 42 of the Planning and Development Act 2000 (as amended).

The order inserted a new section '42B' into the Planning and Development Act 2000, which in turn provides for a temporary modification of section 42 of that Act having regard to the Covid-19 pandemic.

Section 42(1B) of the Planning and Development Act 2000 provides for the further extension of the appropriate period of a planning permission by an additional period of up to 2 years or until 31 December 2023 whichever first occurs, subject to the planning authority being satisfied of a number of matters set out in section 42(1B). These matters include that the relevant planning authority shall be satisfied that: (1) the development has commenced; (2) substantial works have been carried out; and (3) Environmental Impact Assessment (EIA) and appropriate assessment (AA) are not required for the proposed extension.

In addition, Extension of Duration applications can no longer be sought on commercial, economic, and/or technical grounds, as this piece of legislation has been removed from the Act as of 9th September 2021, and so extension of duration applications can now only be sought on substantial works.

CIRCULAR LETTER PL 01/2022 (7 JANUARY 2022)

Planning Conditions Compliances

Under the Planning & Development Act, there was no statutory timeframe for the discharge of planning conditions submissions by local authorities. This resulted in delays in obtaining approval for such compliances mostly caused by lack of resources within councils and prioritising statutory timelines such as preparing plans, assessing planning applications, etc. With SI 714/2021 coming into effect, Local Authorities now have 8 weeks within which to agree compliances. Once a condition compliance submission has been lodged, the Planning Authority must either:

- Reach agreement with the person/applicant on the relevant points;
- Advise the person in writing that they cannot agree, or
- Refer the matter to the Board for its determination.

This must occur within 8 weeks or such longer period (that must be agreed with the person/applicant). Should agreement not be reached the person/applicant can appeal the matter to the Board within 4 weeks of the Planning Authority's notification. If the planning authority does not respond within 8 weeks or such longer

period as may have been agreed, then that authority shall be deemed to have agreed the point of details as so submitted. It is noted that as per the Circular, these mandatory timelines apply to:

- planning permissions granted by planning authorities on or after 17 December 2021, and
- compliance condition submissions received by planning authorities from developers and holders of planning permission on or after the afore-mentioned date.

DOWNEY PLANNING

Downey Planning have prepared this article to provide an assessment of the SHD process, new LRD process and other key changes to planning policy and legislation. They are a multi-disciplinary practice of Chartered Town Planners, RIAI Architects, ILI Landscape Architects and Project Managers, providing a full suite of technical services achieved through a holistic approach and decades of experience.



Dún Laoghaire, Co. Dublin

13. Irish Residential Development Funding Landscape

By Daniel Lockley, Director, Deloitte Real Estate Finance Advisory

With a growing population, undersupply of housing, investors chasing yield and a low interest rate environment, the current macro-economic conditions provide a strong backdrop for capital raising within the Irish residential development sector. Despite this backdrop, housing output remains below Government targets due to significant challenges within the sector. In this article Deloitte Real Estate Finance Advisory provide an overview of the Residential Development Funding Landscape based on their experience of raising capital for developers.

OVERVIEW

Ireland's housing output is gradually recovering from the Global Financial Crises ("GFC") where it peaked at 88k houses per annum in 2006. Following the GFC housing output collapsed, many developers were exposed to significant falls in asset values which wiped out their equity and in many cases resulted in insolvencies and the loss of assets.

It has taken 15 years for output to reach 20k units per annum (c.23% of the 2006 output). While recovery in the industry has been well under way for many years, the market is still struggling to reach the Government's target of 33k per annum. This severe shortage in housing has created opportunities for Developers that have strong management teams with the experience and capital to grow their businesses.

CHALLENGES

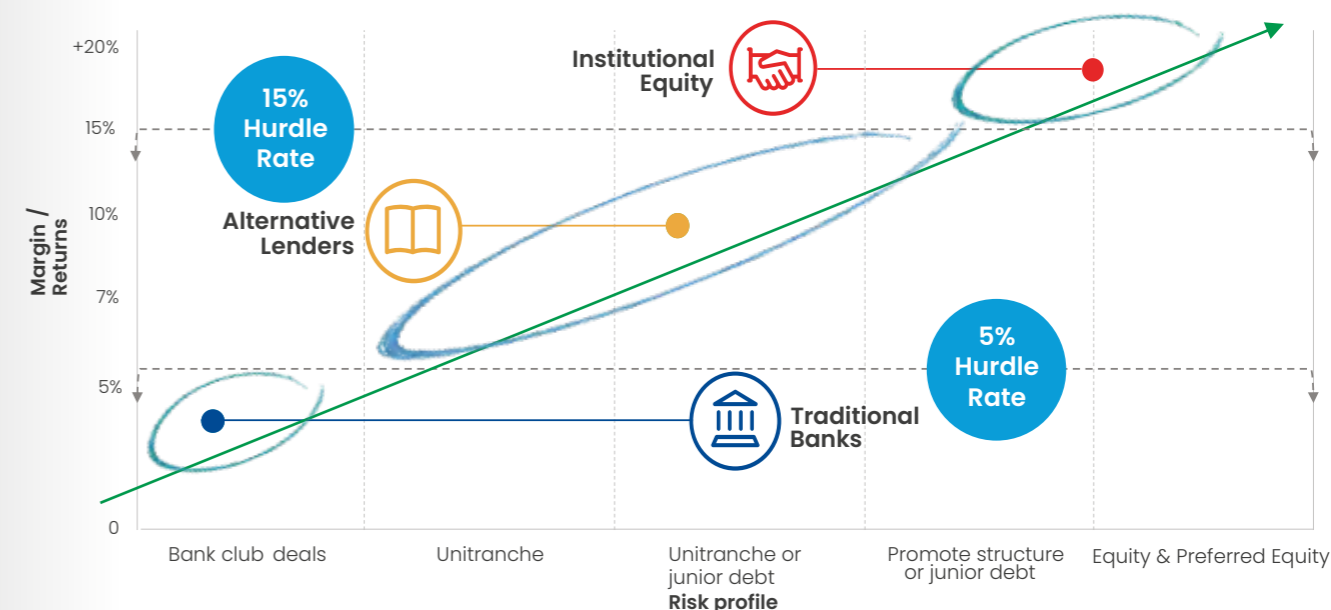
Notwithstanding this favourable backdrop, the real estate funding market has felt the effects of Covid-19 and faces other very significant challenges, these include;

1. The cost of building materials is on the rise with significant increases reported across many types of materials such as timber, steel and piping.
2. There has been an increase in the number of judicial reviews being put in front of the courts to challenge Strategic Housing Development ("SHD") planning decisions. Government is seeking to address this with a new Large-scale Residential Development ("LRD") process but this is taking time to implement.
3. Central Bank proposed caps on ICAV leverage levels.
4. Recent changes to Government housing policy when stability and transparency is required to attract investment including:
 - (a) Stamp duty changes;
 - (b) CPI linked rent caps;
 - (c) Increases in Part V requirements;
 - (d) Curtailment of long term local authority leases;
 - (e) Proposals on limiting the number of apartments that can be made available to sell to institutional investors;
 - (f) Global volatility - war in Ukraine creating uncertainty in European markets.

These issues are directly impacting on the viability of schemes which has a knock-on effect on the availability and pricing of capital.

Despite these challenges, we have seen appetite amongst capital providers (both debt and equity) remain strong for well located Irish residential assets.

Funding Landscape



FUNDING LANDSCAPE

The above graphic sets out at a high level the types of funding available across the capital stack and the indicative margin / returns that are sought depending on the risk profile. The lowest risk profile is shown in the bottom left corner of the graph, this is typically where the domestic and international banks are most active. The highest risk profile is equity which is shown in top right corner. Equity is either introduced by the developer and/or their high net worth or institutional capital partners, this capital is first loss.

DEBT FINANCING

Overview

The appetite to provide debt financing has remained strong in the Residential sector, it has been one of the most resilient property sectors to Covid-19 in terms of sales and rental occupancy. In recent years we have seen the emergence of a number of funding providers to supplement the domestic Pillars, these include;

- Irish based alternative lenders;
- Entrance of international capital from private equity funds and global banks; and
- A state entity, the HBFI.

While the recent exit of Ulster Bank and KBC from the market will strengthen the position of the remaining banks, the combination of the new entrants over the last number of years has driven strong competition amongst lenders to grow their presence and market

share in the residential development sector. This has provided developers with a greater range of funding options and more competitive terms. Based on our experience in running competitive debt processes for Developers we find that experienced developers of scale are currently able to attract funding offers from multiple debt providers in the market at very competitive terms.



Irish Residential Development Funding Landscape (continued)

Debt Providers

Banks	Banks will seek a first secured position, with conservative advanced rates (outlined below) and less flexibility than the alternative lenders. There is limited appetite for land without planning and sites must be capable of commencing in 12 months and completed in 48 months. This funding will appeal to established, well capitalised developers who have sufficient equity to avail of this lower cost finance.
Alternative/ Direct Lenders	Operating in the market space above Banks are Alternative or Direct Lenders offering Unitranche facilities. These funders will typically take a first secured position on a development and offer high leverage (outlined in following table) through a mix of Senior and Junior debt at a blended rate. They will advance capital at margins / returns typically between 6% and 10% this type of finance can offer a good option for equity constrained developers, or those who are seeking to maximise leverage on a project.
Junior/ Mezzanine Debt	Sitting above Unitranche are Junior Debt or Mezzanine Finance providers. Funders offering this type of finance will be subordinated to a senior lender. Margins / Returns sought are typically between 10% and 15%. This type of finance assists developers in securing additional leverage or can provide the ability to secure debt facilities on higher risk opportunities such as land without planning.
Institutional Equity	The top tier on Funding Landscape graphic is occupied by Ordinary Equity, Preferred Equity and Promoter structures. Ordinary Equity is the highest risk capital as it is first loss and therefore seeks the highest level of return. Preferential equity is ranked ahead of ordinary and typically is structured as a debt type instrument allowing some level of security over the assets and therefore a lower level of return to reflect the lower risk. A promote structure is an incentivised equity return structure between a developer and an equity partner. This is explored in further detail later.

LENDING CRITERIA

The below tables outline indicative levels at which both banks and alternative lenders may be willing to advance debt funding based on the risk profile of the development - position in the development cycle and certainty of exit.

Asset Type	Bank	Alternative Lender
Residential Sites with Planning Permission	Up to 50% (Site & WIP must not exceed 60% LTV)	Up to 70% LTV
Residential Sites without Planning Permission	Limited appetite outside of corporate structure	Up to 60% LTV
Work in Progress	Up to 70% (Site & WIP must not exceed 60% LTV)	Up to 100% LTC (Site & WIP must not exceed 75% LTNDV or 90% LTC)
PRS & Social Housing Developments (Speculative)	Limited appetite at present	Lower of 70% LTNDV and 80% LTC
PRS & Social Housing Developments (Secured forward commit)	Up to 65% LTNDV	Lower of 75% LTNDV and 90% LTC
Term	Definition	
LTNDV	Loan to Net Development Value	
LTC	Loan to Cost	
LTV	Loan to Value	
WIP	Work in Progress	

FUNDING CHALLENGES

The debt funding market is currently very active. Funding is typically available for established developers with viable projects in the right locations. The challenge is securing funding with the right terms and conditions and facilitating access to equity as it builds in development projects.

On a typical housing development equity cannot be accessed until the development is 70-80% complete and the debt is fully repaid. This limits a developer's ability to recycle their equity which is tied up in projects at different stages of completion. This makes it challenging for many developers to introduce sufficient equity into new projects.

In addition, the developer must have a strong enough balance sheet to provide the cost overrun guarantee sought by lenders (particularly for larger schemes). In the past 12 months there has been an increased focus by lenders on contingency levels included in appraisals and the financial strength of entities providing cost overrun guarantees due to the level of cost inflation in the construction sector.

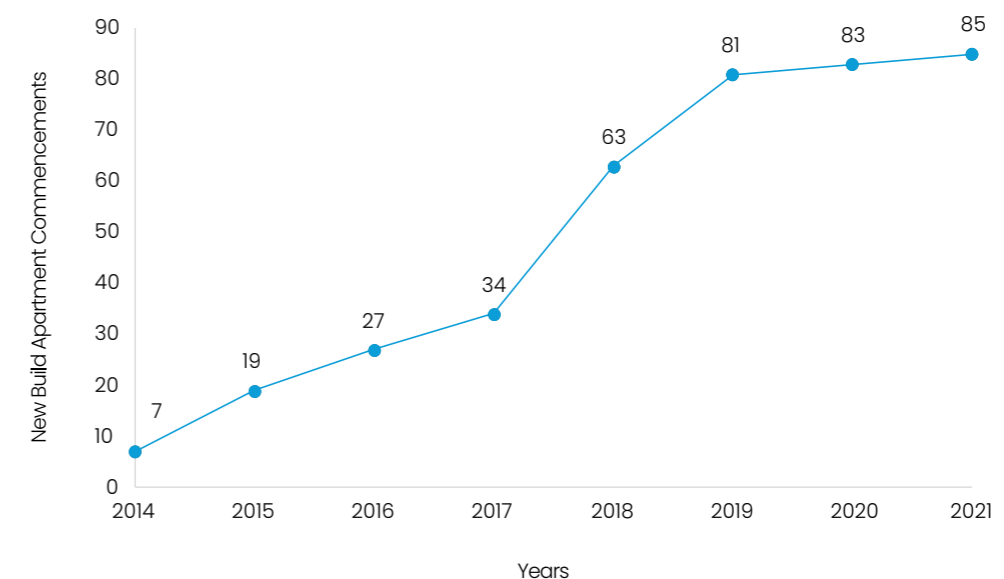


EQUITY REQUIREMENTS

In recent years, the Government's housing strategy has been focused on increasing housing units and density in our cities to prevent urban sprawl which is inefficient from both a transportation and infrastructure perspective. In order to increase density there has been a strong focus on delivery of apartments. Apartments unlike houses are capital intensive, typically the full apartment block must be built before the sale proceeds from a single unit will be received, whereas in a housing development the capital begins recycling once a single unit is complete and sold.

In order for developers to secure debt to part fund the construction of apartments, they typically need to either de-risk the development as much as possible by securing a forward commit (pre-sale or forward fund) of the block(s) or provide significant levels of equity to build the asset speculatively with a buyer(s) being secured closer to or after practical completion. While a presale does reduce the equity requirement sought by funders, most alternative lenders in the market will seek a minimum of 10%-25% equity to be introduced into the scheme. For the Banks this minimum equity requirement can be closer to 25%-40%.

Apartment Commencements 2014 - 2021



Note: Commencements of apartment blocks with min. 20 units
Source: BuildingInfo

Irish Residential Development Funding Landscape (continued)

For a large apartment scheme of say 300 units with development costs of €120m this translates to an equity requirement of €30m – €48m to secure sufficient financing from a Bank and €12m – €30m with an alternative lender depending on leverage levels. In addition, lenders will typically seek a cost overrun guarantee from an entity that has a strong enough balance sheet to fund any cost overruns. We typically see costs overrun guarantees capped at 10%-20% of construction costs.

Introducing this level of equity is very challenging for all but the largest and best capitalised developers in the country and it is one of the reasons why many sites owned by small and mid-tier developers across the country have full planning permission for apartment schemes but the developer has been unable to

introduce sufficient equity to secure the debt to deliver the scheme and provide a guarantee for any cost overruns. The same principal applies to housing schemes, however, houses are typically developed in smaller phases and therefore the equity requirement is reduced significantly.

RAISING EQUITY

For developers that have the capability and development track record but do not have sufficient equity to introduce into the transaction, raising third party equity can be an attractive option.

When it comes to raising the equity required for acquisitions or construction projects, developers typically have the following options.

Ordinary Equity	Preferential Equity
Investor becomes a JV partner and shares the risk equally with the developer. Depending on the level of equity required can be a majority or minority investor.	Typically structured as a debt like instrument. i.e. there is an obligation to repay within a set timeframe.
Returns are typically split pari passu or structured under a Promote type structure.	Debt instrument can include a PIK or Pay Coupon, Equity Warrant or agreed buyout multiple.
Higher returns are sought under this structure as the investment is first loss. Ordinary equity holders will benefit from any upside.	Preferential equity attracts a lower return as it ranks ahead of ordinary equity. May be possible to negotiate a capped return.

The size of the investment opportunity will be one of the main drivers behind the type of investor:

High Net Worth / Family Office	Opportunity Fund / Institutional Capital Provider
Sub €10m Requirement	€10m + Requirement
Flexible exit timeframe depending investment objectives.	Exit timeframe linked to fund maturity typically a maximum of 5-7 years.
Higher return hurdles, IRR hurdles starting in the high teens / lower twenties.	Lower return hurdles, IRR hurdles starting in the mid teens / high teens.
May have higher risk appetite and give greater flexibility i.e acquisition criteria. More likely to consider Zoned sites without full planning permission.	Likely to have lower risk appetite and more restrictive investment criteria.
May accept less control and a lower level of board representation.	Will seek more control and a high level of board representation and governance. Likely to have stringent financial reporting requirements.

FUNDING STRUCTURES

We typically see two main funding structures when working with Developers seeking to raise equity: funding on a project-by-project basis or at Group level. We outline these in further detail below.

1. PROJECT BY PROJECT

If a developer decides that they wish to raise equity on a Project by Project basis, there are several factors they should consider.

Considerations for Raising Equity on a Project by Project Basis



Allows the developer to retain greater control on the overall Group with dilution of ownership or recourse limited to the respective SPV.



An investor will need to be identified for each project which can be time consuming for management and carries a higher execution risk.



Full Due Diligence on each funding raise and associated transaction fees.



May incur a higher cost of capital as investor will not benefit from visibility or recourse on wider group cashflows.



The equity requirement for an individual projects may not be of sufficient scale to attract institutional investment.

A common structure we see for larger development schemes is a promote structure. This structure is where a developer (“Promoter”) partners with an institutional capital provider that invests equity into the project. It enables the developer to access larger schemes that they would not have sufficient financial resources to develop independently.

Under the promote structure, the Promoter and capital provider split the project returns in proportion to their respective equity holdings in the company. As an incentive, the capital provider rewards the Promoter with an extra share of returns (“Promote Fee”) when the project exceeds agreed return hurdle levels.

2. GROUP LEVEL

An alternative to raising equity on project by project basis, is for a developer to raise capital at a platform level. This will usually involve a business plan being agreed at the outset and capital being deployed over a number of sites dependant on certain milestones/criteria.

This can be achieved with an investment entering at Group/HoldCo level and being on lent into newly incorporated and fully ringfenced SPVs that will be used to develop the assets. When projects have completed and any debt in the SPV is repaid, the funds will flow back into the Group/HoldCo to make any repayments required with any excess then being available to recycle into new projects or distributed to shareholders.

The table overleaf outlines some of benefits for a developer introducing equity at a Group Level alongside some key considerations.

Benefits and Considerations of Introducing Equity at a Group Level



Benefits Introducing Equity at a Group Level

Fully Funded – Enables Developer to have a fully funded business plan and acquire and develop opportunities of scale.

Scale – Bringing a partner in at Group level, enables the developer to attract investment as the opportunity is more likely to be of scale.

Recycling of Capital – Facilitates the recycling of capital, as investor and developer can utilise any surplus proceeds received from a development to reinvest in another site.

Attractive debt terms – Well capitalised Groups are able to attract more competitive debt funding as the opportunity is sponsor backed.

Funding flexibly – Senior Lenders will take comfort in the fact a level of due diligence has been conducted on the developer’s business already and there is an institutional equity partner with a vested interest in ensuring projects are delivered in line with projections.

Considerations Introducing Equity at a Group Level

Control – Is a developer willing to offer Ordinary Equity or Preferred Equity. While preferred equity enables the developer to maintain ownership, typically the developer will need to introduce more equity into the deal.

Preferred Equity – If a developer is offering Preferred Equity to investor, the repayment of the investor will rank ahead of the developer and therefore lower returns can be offered to the investor. The investor may also seek an equity kicker (i.e. a warrant) to benefit from any upside.

Alignment of Interests – Need to ensure the risk appetites of both parties are aligned and acquisition and project selection criteria are defined at the outset.

Exit – It important that redemption periods are agreed and there is a clear mechanism and calculation for exiting the investor.

CONCLUSION

Over the last 2 years Covid-19 has been a catalyst for several disruptive trends in the real estate sector and funding market, however, we continue to see a strong demand from clients seeking both debt and equity for residential development. We recommend that before developers seeking to raise capital embark on the process, they carefully consider their funding strategy and ensure the suite of funding being sought is aligned to the Group requirements and can flex depending on need.

DANIEL LOCKLEY – DELOITTE REAL ESTATE FINANCE ADVISORY

Daniel is a Director in Deloitte Real Estate Finance Advisory, part of the wider Deloitte Debt & Capital Advisory. The team is the largest and most active Debt and Capital Advisory Team in Ireland raising in excess of €2bn per annum for clients.

Deloitte Real Estate Finance Advisory assist developers and property groups with raising new funding to support their growth objectives. The team has strong relationships with all of the major banks, alternative lenders and institutional capital providers that are active in the Irish market. They assist clients in tailoring their funding proposals to attract a focused number of capital providers and enhance prospects of securing the most appropriate and competitive funding terms.



14. Ireland Needs to Foster the Right Conditions for New Housing Supply

By Donald MacDonald, Director, Hooke & MacDonald

FOREIGN DIRECT INVESTMENT A CORNERSTONE OF IRISH ECONOMIC SUCCESS

Since the 1980's the State has looked to foster economic development and attract corporate foreign direct investment with a range of highly competitive tax arrangements which ultimately led to the corporate tax rate of 12.5% in the 1990's. This strategy recognised the importance of international trade and investment in the future of the economy. The environment it created formed the foundation for multiple domestic and international businesses to thrive and helped to kick-start the wider economy, providing employment for thousands and arguably acting as one of the main catalysts for the regeneration of Dublin city.

Ireland has a dysfunctional property market. Even in 2021, the scars of the downturn of 2008 have meant that the country has struggled to scale up housing supply to meet the requirements of the population. The consequences are particularly acute for apartment development, where there are multiple complexities and risks that have resulted in minimal levels of development since 2008. The results of this are evident on a daily basis upon review of Irish media - it is causing significant hardship and anxiety for much of the population, especially younger age ranges.

Ireland, a small open economy on the edge of Europe, does not have enough money available within the State to be able to finance the country's much needed housing programme. As a result, the country

requires flows of money from outside the State to be able to fund the supply of new homes. We cannot rely on the Irish Government and the tax payer to do so. Similar to the successful 12.5% corporate tax rate and the stable operating environment that has prevailed over the last 22 years, Ireland needs to have a stable operating environment for funders of housing, be they direct lenders or investors.

UNSTABLE OPERATING ENVIRONMENT

The suppliers of new homes, builders and developers, as well as their funding partners, who are investors in many cases for complex apartment developments, also need a stable and workable environment to operate in. Balancing costs and revenues on housing projects can be a fine line, a line which has been significantly challenged over the last 2 years as a result of Covid-19, unprecedented lockdowns, and supply shortages of both materials and labour, as well as widespread increased costs.

While many interventions are well-intentioned, over recent years Government at a local and national level have not provided the conditions for the development industry to substantially increase supply and they have destabilised the operating environment for funders and builders of new housing.

This has included:

- not addressing delays in the planning systems, including vexatious objectors.
- not assisting viability for apartments;
- continuously increasing building regulations.
- overnight changes in legislation relating to residential property taxes.
- unfavorable tax treatment of small investors.
- changing the residential investment properties rent regulations four times in the last five years.
- increases in regulation, administration and costs for managing residential investment properties.
- the statement from the Central Bank on potentially restricting loan to values for property investors.
- two Dublin local authorities proposing adjustments to planning guidelines that will make apartment development unworkable.
- closing down construction sites.

GOVERNMENT MEASURES

The Government launched its 'Housing for All' strategy in September, which estimates a requirement for approximately 33,000 new homes per year between 2021 and 2030. Some other well-informed commentators would argue that as a result of pent-up demand and demographic trends the housing need is for over 40,000 new homes per year. The country requires a multi-track approach to providing these new homes - delivering social housing, affordable housing and private housing - for owner occupiers and renters.

Despite the critics, at a practical level the extension of the Help To Buy Scheme and the introduction of the Shared Equity Scheme are very welcome as they will give confidence to builders and their funders to allow them scale-up supply on individual sites - this is the point that is often missed in commentary. However, it remains to be seen if these measures will have any impact on increasing apartment supply for owner occupiers which to date has not been assisted by Government policy.

BENEFITS OF NEW APARTMENT DEVELOPMENT

As a result of the challenges around funding and viability, apartment development has for the most part been only taking place in Dublin, and for the rental market as the model of selling to owner occupiers is not feasible for large projects (say over 50 properties).

We are starting to see development in the counties surrounding Dublin, however, apartments remain largely unworkable and unviable in most parts of the State.

The new accommodation being built in Dublin, which is mostly in the suburbs, is assisting in moderating prices at all levels of the market and improving the standard of rental accommodation available, as stock that was built pre-2008 becomes quite aged, as well as freeing up accommodation for renters in the lower and mid ranges of the market. With financing of more than €7 billion from larger Irish and international funders and investors, this is facilitating the construction of more than 12,000 new homes, which when fully completed will provide accommodation for more than 25,000 people - this has to be seen as positive for the country.

NEED FOR STABILITY IN ORDER TO SCALE UP HOUSING

As identified under Housing for All, Ireland needs thousands of new homes to be built over the next 10 years and we need the State and private sector to be working at full capacity to achieve this.

It is incumbent on politicians and State bodies to ensure they are well informed and implement policies that ensure developments for the social, affordable and private sectors are supported. While a balanced approach to development is required, suggesting and implementing policies that go against one form of tenure or another and create an unworkable development framework, will only serve to reduce new supply.

Similar to the definitive corporate tax policy, which was one of the cornerstones of Ireland's economic development for over 25 years, Ireland's construction, funding and investment sector needs stability and national and local government needs to provide this.



Knockrabo, Mount Anville Road, Dublin 63 apartments developed by Bain Capital/Regency Homes and sold in Q4 2021 to Real IS

15. Real Estate Opportunities from Ireland's Demographic and Economic Growth

By Dr. Brian Hughes

Future Apartment development activity is expected to accelerate, not only in Dublin but also in the provincial cities, based on Ireland's favourable demographic and economic prospects. However, the conditions for such development depend upon planning consistency and no surprises. Current planning is dysfunctional and together with wider local government and governance issues: they urgently need resolution if Ireland's deepening housing crisis is to be resolved.

VIGOROUS GROWTH IN IRELAND'S POPULATION & ECONOMY

Despite the loss of economic sovereignty during the Troika years of austerity and the pandemic of Covid 19, today's Ireland continues to vigorously grow both its population and economy. The evidence is compelling: a 2021 exchequer tax of €68.4 Billion – 20% greater than 2020, an average annual population growth approaching fifty thousand for the last decade, robust employment creation, record progress in Foreign Direct Investment jobs and the international support from Europe and the USA for the Belfast Agreement, thereby countering the threat of a hard Brexit downside.

Complementing this favourable picture is the impressive growth in north-south Irish trade and services, the Protocol 2022 Talks in setting the atmosphere for enhanced cross-border investment opportunities and adding to the unique position which allows Northern Ireland to sell freely into both the UK and European markets.

Since 1996 the Republic's demographic growth has included substantial non-indigenous inward migration. It will be recalled that as late as 1986-1991

period, the State had experienced its last recorded population loss with net out-migration exceeding its natural growth of births less deaths. Since then, the aggregate population growth now exceeds one-and-a-half million.

Accordingly, Ireland must now adequately plan for this economic growth and particularly for its residential accommodation demand. In doing so it must also address the pent-up demand resulting from an entire decade of housing under-provision. The need to provide for the entire population requires all sources of funding to be available including both national and international investment, thereby enabling a full range of housing types to be provided. Here, the most important issues are: where and what to build?

CONSTRUCTION INDUSTRY AND DEVELOPMENT

Recent commentary by the Construction Industry Federation's Director General has identified that this industry requires 180,000 additional workers by 2030 to meet the dual demands, for new-build as well as for residential retrofitting. This will require about 11,000 additional manpower units each year. Without significant net inward migration to augment these skills, Ireland will struggle to achieve the necessary manpower to meet its building targets. In turn, this will place additional pressure on accommodation, including for these workers. New build will also require an increasing share of systems built housing. Resolution of the Mica problem in Donegal and elsewhere must also be factored into the under-supply issue.

Apartments as a proportion of Ireland's total housing stock is extraordinarily low, when compared with elsewhere in Europe. The building industry struggles to respond to the demand for new apartments. This is because their development is more complex than the construction of traditional one-off housing or of semi-detached estates.

The risk-reward model for such development is likewise a complex one, requiring appropriate levels

of construction capital, skills, development experience and proven track records. Ongoing changes in building practice, funding and administration are emerging. Government policy inconsistencies and irrational thinking on spatial planning and resolution of the housing crisis must be addressed. Only then will it be possible to realise the country's full economic potential.

Ireland's economic recovery is also reflected and affirmed in its bond yield trends, reflecting its economic stability. However, it is financially constrained by the size of national debt, albeit offset with its expanding tax revenues. However, with prudent debt management, continuing low interest and bond rates and with budgetary insight and financial prudence, it should be within its capability to resolve its housing shortfall over the medium term, provided there is recognition and acceptance of the problem including the extent of pent-up demand.

For the past decade, levels of residential construction have been totally inadequate to meet Ireland's housing demand. In year 2021 only 20,433 units were completed. This is expected to be 26,000 this year and rising to about 30,000 in 2023. Accordingly, the industry's established capacity for further output has been an additional 4,000 to 5,000 units per annum. This means that it will be several years after 2023 before production of the 48,000 to 50,000 annual completions as the long-term supply target is met, thereby matching the EU and UK Headship targets for 2040.

POPULATION GROWTH AND DISTRIBUTION

End-use-demand for residential and commercial accommodation is primarily driven by population growth. The CSO Population and Migration Estimates (PME) provide many positive indicators of such growth. In the absence of a 2021 census the methodology used in this Paper is premised on these CSO Residence-based PME data. The following analysis confirms that the residence-based 2016-2021 State population growth rate was almost 59.44% stronger than the 2011-2016 period. Specifically, the State achieved a 5.74% population growth in the 2016-2021 period compared with just a 3.60% uplift during 2011-2016 which resulted from the significant out-migration movement during that earlier period.

With the Covid-enforced deferral of the 2021 census to April 2022, it will be some time after that before these de facto census data are available. Following the publication of the 2022 census results, the CSO will again review their PME data. It is noted that after the release of 2016 population results, the CSO revised upward its PME population figures for 2017 by over 65,000, based on the census evidence of significant higher in-migration combined with lower out-migration. During 2011-2016 the State recorded almost 720,000 persons in the two-way migration movements and again it experienced the same volumes during 2016-2021. Accordingly, the PME data must be viewed with caution as it is invariably below the census population outturn.



Spencer Place, Dublin Docklands, being developed by Ronan Group and Colony Northstar, comprising 349 apartments and a 100 bed aparthotel

Real Estate Opportunities from Ireland's Demographic and Economic Growth (continued)

As an offshore island and with an open land border, the accurate tracking of Ireland's population movement presents formidable monitoring difficulties for the CSO. In the context of its principal regions over time, Ireland increasingly is experiencing an eastward movement in its population.

For the five-county Greater Dublin Area (GDA) comprising Dublin, together with Kildare, Meath, Wicklow and Louth, its corresponding 2016–2021 population growth difference was 24% higher than the 2011–2016 period. For the Rest of State (RoS) area, the corresponding difference was an extraordinary 122%, arising from the significant level of out-migration experienced during 2010–2015. Since then, population growth has returned to its upward path.

This overall population growth reflects Ireland's strong economic performance since 2011. During that period, the total 'at work' increased by almost 29% or by an additional 527,800. Over the same period, the State population grew by 436,600, a 9.4% growth rate. Accordingly, its recent employment growth rate is more than three times greater than the population growth rate.

Covid 19 has also prompted deep consideration about the physical location of employment activity and there is considerable debate about future relationship of living to working locations. In the longer term, employers will seek to have tighter controls combined with enhanced staff morale. Transportation resource limitations and their implied capital costs will determine home-to-work travel times. Climate-change requirements and environmental constraints will increasingly influence commuting volumes with reducing distances. Already, more 'work' is being undertaken 'at home' but this does not herald the demise of the office as the principal location for work activity. Dublin's office take-up during 2021 and IDA-announced locations provide further evidence of this consolidation trend towards urban densification.

However, as confirmed in both the IDA and Enterprise Ireland's job creation reporting, the nature and change of work and its location criteria are increasingly city-based in determining the official 'place of work'. In particular, the FDI employment is concentrating in a smaller number of larger urban settlements, particularly in the cities.

IRELAND'S EVOLVING GEOGRAPHY

Over the past two years Scenario Planning exercises have resulted in multi-disciplined research findings as to the prospective Ireland of the 2070s. What will Ireland look like in terms of its settlement composition: where will we live and what types of accommodation will our cities and towns provide in the long-term and what form will it take? What can be learnt from the past fifty years of progress and change?

The multi-disciplined Irish Cities 2070 Group (IC70), comprising Architects, Planners, Engineers, Surveyors, Demographers and Sociologists will be publishing a series of papers with compelling insights, in addressing these profound questions.

Overall demographic projections point to a unified Ireland, of 10–11 million people by 2070, which will have increasing levels of non-indigenous residents, living in larger cities, with location emphasis on the Dublin–Belfast Corridor in recognition of Ireland's two Metropolitan City Regions.

Proportionately, a much higher percentage of Ireland's population will be urban based, of perhaps 75–80%, with Apartment living comprising nearly half of the urban housing stock. Within the Republic, new housing completions will need to be about 50,000 units per annum, 55% of which will be in the GDA and 20% in its provincial cities.

The IC70 Group is also produced a Study for Galway City, identifying the city's future potential to build upon its impressive growth path, extending the graph of its already achieved demographic performance. This Study is intended as a template for the other Irish Cities, north and south of the Border, capturing the best of urban design, administration, financial and governance inspirations based on the successes of comparator international centres of excellence. For a fast-growing Ireland, what is now required is to align its political leadership together with local government reform, to secure the country's spatial opportunities for the benefit of all its citizens.



Beech Park, Cabinteely being developed by O'Flynn Group and reported to be purchased by Ardstone for €66 million

DYSFUNCTIONAL PLANNING

New planning and development strategies will need to scale-up for a much larger population and work force than are currently being planned. The existing Irish planning system is unfit for purpose and delayed development projects, infrastructure and serial litigation appeals are distracting attention and diverting valuable energy outputs that should otherwise be focused on addressing Ireland's unresolved housing crisis.

Unfortunately, County Development Plans are now being rolled-out without due regard to the pace and trend of Ireland's economic and demographic growth potential and the need for adequate investment. Likewise, development constraints are being imposed wherein, for example, in the new Dublin City Development Plan, developers will be banned from building new apartments which are intended only for rental. Such ad hoc policy approaches are fundamentally flawed.

This imposition shows that the authors of this Plan have little understanding of property dynamics or of the risk-to-reward balance that characterises the current marginal viability of apartment development. This will limit apartment development and further aggravate residential supply. As planning is meant to be about development, it is incumbent on the part of planning strategists to consult with developers before initiating irrational and uninformed policy.

DETRIMENTAL TO GOOD ESTATE MANAGEMENT

It is inevitable that such anti-investment provision will be challenged, in Ireland and possibly in Europe. Otherwise, it would have very serious implications for effective estate management practice: for example, with obligations for multiple ownership of individual blocks of apartments. It would also risk the loss of institutional residential property investment as a recognised category of 'investment-grade'. Furthermore, it would add yet another layer of apartment-sale costs in the difference between multiple, individual transactions as compared with a single transaction between a developer and the ultimate investor. Such artificially imposed constraints are being set at the same time as developers are also experiencing substantial building-cost inflation and material price increases.

Local Government administration will transform to a regional rather than the current county-based model. A systematic and radical re-think of Ireland's approach to its spatial strategy planning will be required, eliminating its current dis-functionality, with a particular and rebalanced focus on promoting its 'national growth engine' – Dublin.

Real Estate Opportunities from Ireland's Demographic and Economic Growth (continued)

If this does not happen, Ireland will be the loser! The current planning strategy, providing for the provincial cities to match Dublin's growth, means limiting its population-growth ceiling to just 250,000 by 2040. This is unsustainable and illogical 'command-type' thinking that fails to recognise the capital's growth record. In 2016, the four provincial cities had just 37% of Dublin's population, which would require them to grow by 2.7 times Dublin's growth, a figure that becomes over four-times the level of imposed constraint, when account is taken of their lower natural-growth differential.

MAJOR OPPORTUNITY TO REBALANCE IRELAND'S DEMOGRAPHY

If we fail to plan as a nation, then we plan to fail. Despite the deferred 2021 census or to the fact that detailed up-to-date census demographic results are not yet to hand, planning strategy must now be radically revisited and based on an all-island model, with full anticipation of the island's needs and reflective of the Shared Island's range of financial initiatives, to its potential and to its unified ambitions and commitments for future investment, population and employment growth.

Demographic history shows up Ireland's unique position – where its population is still less than it was nearly 200 years ago – which, belatedly, is now on its

way to being restored. The fact that the GDA is one-eighth the size of the Rest of State (RoS) area but with six times its population density, shows the nation's latent potential for growth, particularly in its non-metropolitan regions. Note 1.

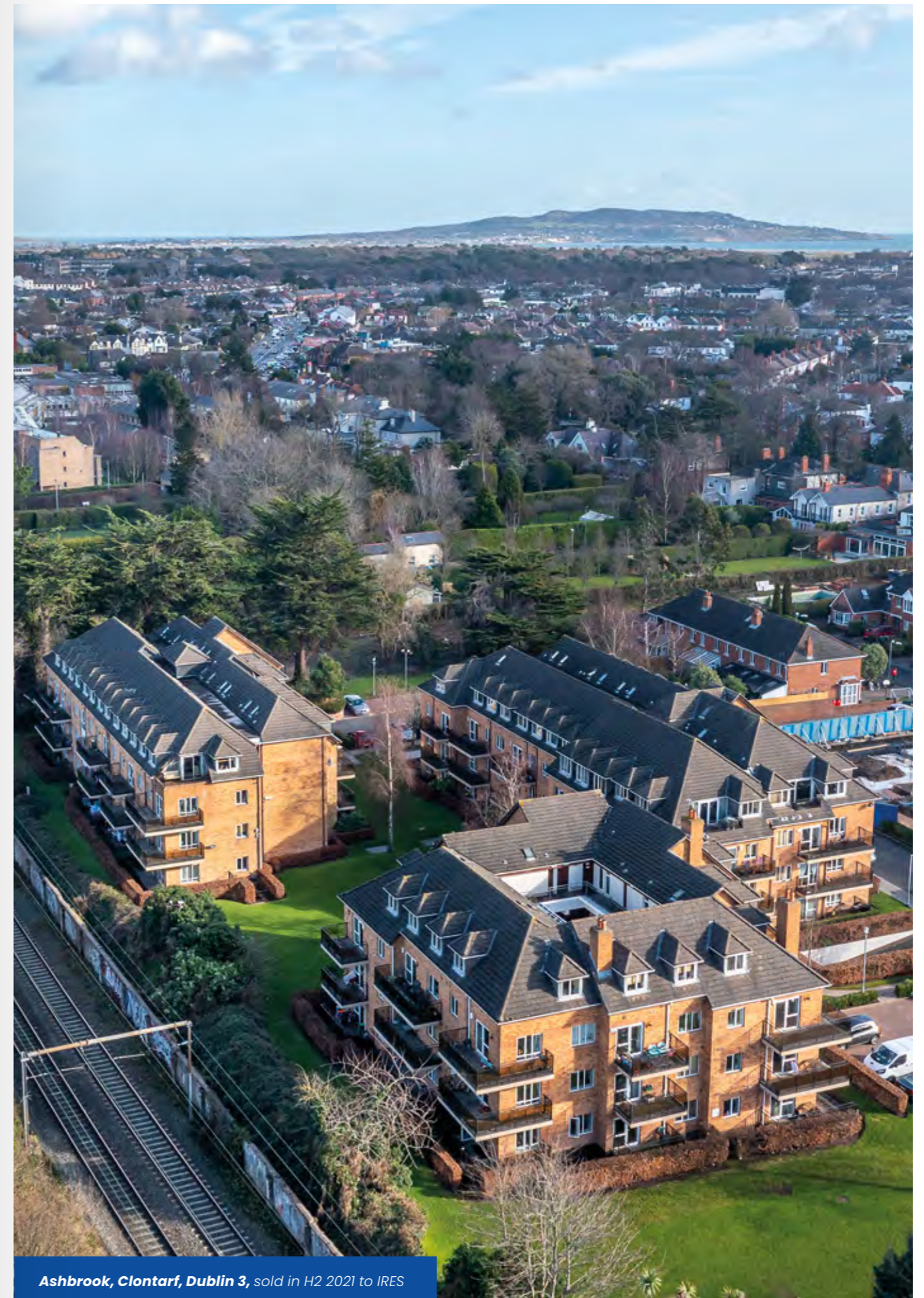
Such planning will have to acknowledge that addressing the current tundra-density of the RoS area population now provides a major opportunity to rebalance Ireland's demography, both north and south of the present Border. The phenomenon of net inward non-Indigenous migration to Ireland, which only commenced around the 1996 census, is providing a sustained dynamic demographic momentum, augmenting and enhanced its workforce skill sets which need to be factored into Ireland's strategic planning equation for its future growth.

Residential development opportunities will continue to flow from this favourable economic outlook, together with investment and development dynamics, at a scale that will be greater than previously planned. However, for this to happen, Ireland's cities will become attractive locations for future apartment and mixed-use developments, to be built at scale. The conditions for this to happen will require ongoing consultations between planners, developers and financiers, rather than the current tendency for public-sector strategic impositions that are not thought through nor logically based.

Note 1. In the 2016 Census, the GDA's population was 2,036,216 and the RoS area's population was 2,725,649. The GDA's surface area is 7,772 square kilometres and the RoS area is 60,694 square kilometres.

DR. BRIAN HUGHES

Dr. Brian Hughes is a Planning and Development Chartered Surveyor (SCI and RICS). He has over forty years of professional experience in the Property and Construction sector working in Ireland and internationally. He holds a Doctorate from Dublin Institute of Technology in the field of Demography and Urban Economics. He is a Graduate in Environmental Economics and has an Honour's Master's Degree in Spatial Planning. A Fellow of the Regional Studies Association, Brian is a member of the Statistical and Social Inquiry Society Ireland and is on the expert panel advising the Irish Government on demographics. Brian worked for many years as a lecturer in property development and urban economics at TU Dublin.



Ashbrook, Clontarf, Dublin 3, sold in H2 2021 to IRES

16. Housing Debate dominated by irrational solutions and nonsense private sector critiques

By Pat Farrell, Chief Executive, IIP (by kind permission of The Irish Times)

Demonising crucial institutional investors will not improve supply

It brings me no satisfaction to say the national conversation on housing in Ireland is currently dominated by voices of those with an irrational opposition to our sector.

Given the chronic lack of housing supply, emotive responses have to be expected, but conducting the debate around solutions that are neither logical or rational makes it harder for policymakers to do the right thing. Either through ignorance or in some cases through the deliberate misleading of the public, those with an irrational opposition to the private sector, and particularly to the institutional investment community, seek to create a cartoonish world of good guys versus bad, which demonises the very people who actually have a crucial role to play in solving the housing crisis in Ireland – namely, those providing the essential investment that helps build much-needed homes for sale and rent.

It is time to call this out in an effort to bring more objectivity to the critical debate that surrounds the housing crisis.

Housing for All, the recently-published landmark Government housing policy, identifies a target of 33,000 new homes to be delivered in this country every year up to the end of the decade. The plan specifically states that “working with and enabling the private sector to deliver on housing is . . . central” and says, “the domestic banking sector, international capital and State financial agencies will provide the essential finance to meet this requirement”.

Our recent report, The Significance of International Development Finance in the Irish Real Estate Market, supports these assertions. In the 2017-2019 period, institutional investment constituted more than three-quarters of total development finance for house building in Ireland. To double housing output in the next decade, that proportion will need to be even higher. The hard reality is Government and domestic capital, in aggregate can only supply about 20 per cent of the capital required to meet our housing needs.

MASSIVE EXODUS OF SMALL INVESTORS

In addition to the funding for home builders to develop houses for sale, much of what institutional investors are providing now in Ireland is private rented accommodation, stepping in where there is a massive exodus of individual private investors. This acutely-needed housing is dismissed as “developer led”, “built to shoebox standards”, (for the record, Ireland now has one of the highest space standards in Europe, for sale or rent) along with a completely false rhetoric that delivery of private rented apartments and houses is somehow bad public policy and does not provide any social dividend or taxes. This is nonsense.

- Developer wins leave to challenge refusal of Carrickmines planning permission
- Bartra says Bulloch Harbour scheme ‘will greatly enhance public realm’
- Fewer than 8.5m people passed through Dublin Airport last year

Private rented accommodation is an essential part of the housing mix of every developed country in the world, particularly in cities like Dublin. Not just for the many people who come to work in the dynamic technology sector for a few years and then move away again, but critically to meet the needs of locals.

MISTRUTHS

And yet, completely defying science and basic economics the mistruths continue to be given airtime and column inches while the judicial reviews against new development keep on rolling in.

This emotionally led, misleading rhetoric is fuelling attempts to thwart the delivery of private rented homes by a variety of objectors, often including local and national politicians, and adding fuel to the fire in the continuing rental crisis in this country.



Apartment Development at Bray, Co. Wicklow developed by Glenveagh and purchased by Ardstone

SKewed NATIONAL DEBATE

Recently showed this disconnect writ large. Planning permission was granted for the delivery of a major project containing much-needed private rented apartments in north Dublin, close to the city centre. Many of these homes are one-bedroom apartments, to meet the demand of young professionals that the city needs to house. The chorus of criticism from those who should know better was deafening.

Less than 48 hours later, daft.ie published its latest rental market report that showed rents were soaring and there were just 1,460 homes available to rent in Dublin.

Nobody in the public domain, apart from a few brave souls, made the connection between the attempts to strangle supply and the lack of availability on the rental market that was forcing rents up.

Another example of the skewed national debate is recent commentary on the Housing Assistance Payment (HAP) and the assertion that Government is feathering the nest of institutional investors. The reality is that HAP is a payment made to help people secure housing that would not otherwise be available to them, in light of the acute housing supply. Institutional investors do not discriminate against HAP recipients and nor should they.

FUNDING HIGH QUALITY HOUSING

The continuing glimmer of light here is notwithstanding the criticism levelled at them, institutional investors are continuing to fund and provide the much-needed high-quality sustainable housing supply that is available to provide accommodation to people who need social, affordable, and private market housing. Without this funding, supply would shrink to a fraction of what it is today.

Our sector has been variously described by some as “cuckoos” and “vultures”. This unnecessary characterisation indicates a stunning ability to deny the reality of the world around them – there is a housing crisis, and institutional investment is an absolutely essential part of the solution.

Everyone must remember their duty to see beyond their own prejudices and speak to the facts of the matter. If they don’t, public policy will continue to be skewed against those who simply want a roof over their head and to get on with their lives.

Institutional investors will continue to do what they do best – provide much-needed supply, to help address the housing crisis based on a funding model that seeks a moderate, long-term sustainable return.

Pat Farrell is chief executive of Irish Institutional Property. This article appeared in the Irish Times on 15/11/2021.

17. Net Zero Districts

by Léan Doody, Associate Director, Integrated Cities

& Planning Leader – Europe – Arup

BUILDING COMPACT, RESILIENT AND WELL-CONNECTED COMMUNITIES TO LIMIT GREENHOUSE GAS EMISSIONS AND IMPROVE ACCESSIBILITY AND INCLUSIVITY.

With communities around the world increasingly witnessing the impact of heatwaves or extreme flooding, there is a need for local strategies, policies and projects that provide opportunities for direct community participation in the fight against climate change.

As countries strive to decarbonise and develop road maps towards net zero, there is an opportunity for neighbourhoods to take the lead on climate action. The neighbourhood scale enables greater agility than national plans, providing the chance to introduce pilot schemes, test their effectiveness and adapt or scale up initiatives, as appropriate.

A neighbourhood is both a place and its people. As a place, the neighbourhood includes the houses, apartments, businesses, infrastructure and public or green spaces. The people include residents, workers and visitors of all ages, genders, races and abilities, and with different needs.

The neighbourhood scale in a city offers some unique opportunities to accelerate towards net zero. When designing a new neighbourhood or beginning a major district-scale regeneration project, cities can set a clear vision and step-up ambition on climate objectives.

“Taking advantage of the balance between scale and agility, neighbourhood projects can pioneer new policy, trial innovative partnership arrangements, consider creative ways to increase citizen participation and test new technologies or products that can support the overarching vision.” – Anna König Jerlmyr – Mayor of Stockholm and Vice-Chair of C40 Cities

NEIGHBOURHOODS PROVIDE IDEAL SCALE & CONTEXT

Neighbourhoods provide an ideal scale and context for equitable and sustainable recovery and an opportunity to develop replicable, net zero approaches that can be deployed city-wide and beyond. Arup and C40 Cities prepared a guidebook which provides cities, as well as national governments, private sector developers, residents and communities, with a framework and approach to develop ambitious net zero and people-centred neighbourhoods that showcase the future we want to see.

What is a Green and Thriving Neighbourhood?

A green and thriving neighbourhood will be planned, designed and operated to minimise emissions throughout the development lifecycle. It will achieve this in ways that meet the needs of residents, workers and visitors and provide a high-quality and resilient environment that enables the community to thrive.

“A green and thriving neighbourhood should enable residents of all ages, backgrounds and abilities to meet their daily needs close to home.” – Anne Hidalgo – Mayor of Paris and former chair of C40 Cities

TWO KEY PILLARS

This means that a green and thriving neighbourhood is defined by two key pillars – reducing carbon emissions and promoting quality of life at the neighbourhood scale. These pillars are inextricably linked and must be approached in an integrated way to create a green and thriving neighbourhood. By addressing both pillars, a green and thriving neighbourhood will become a highly desirable place to be, for residents, workers, and visitors, supported by a green business ecosystem. It will demonstrate meaningful emissions reduction in practice and stand out as a front-runner for other neighbourhoods to follow.

THE TWO PILLARS

Neighbourhood climate action solutions need to deliver on both pillars, as set out below.

Green – Net zero emissions

A green and thriving neighbourhood will aim to minimise emissions throughout the project lifecycle and achieve net zero by counteracting any residual emissions in a robust and transparent way. There are different frameworks for categorising emissions. For neighbourhood-scale projects, it is most straightforward to consider these three categories: operational, embodied and consumption-based emissions.

Thriving – Resilient, people-centred places

A green and thriving neighbourhood meets the needs of its people and strengthens quality of life. Its people, businesses and systems can survive, adapt and prosper, no matter the shocks, stresses or climate related impacts they experience. All residents can access goods, services, education and employment in a fair and inclusive way; while the urban realm provides a vibrant, safe and friendly environment for all. The neighbourhood is distinctly ‘human-scale’, encouraging healthy lifestyles and providing seamless connectivity to the city and beyond.

THE TEN APPROACHES

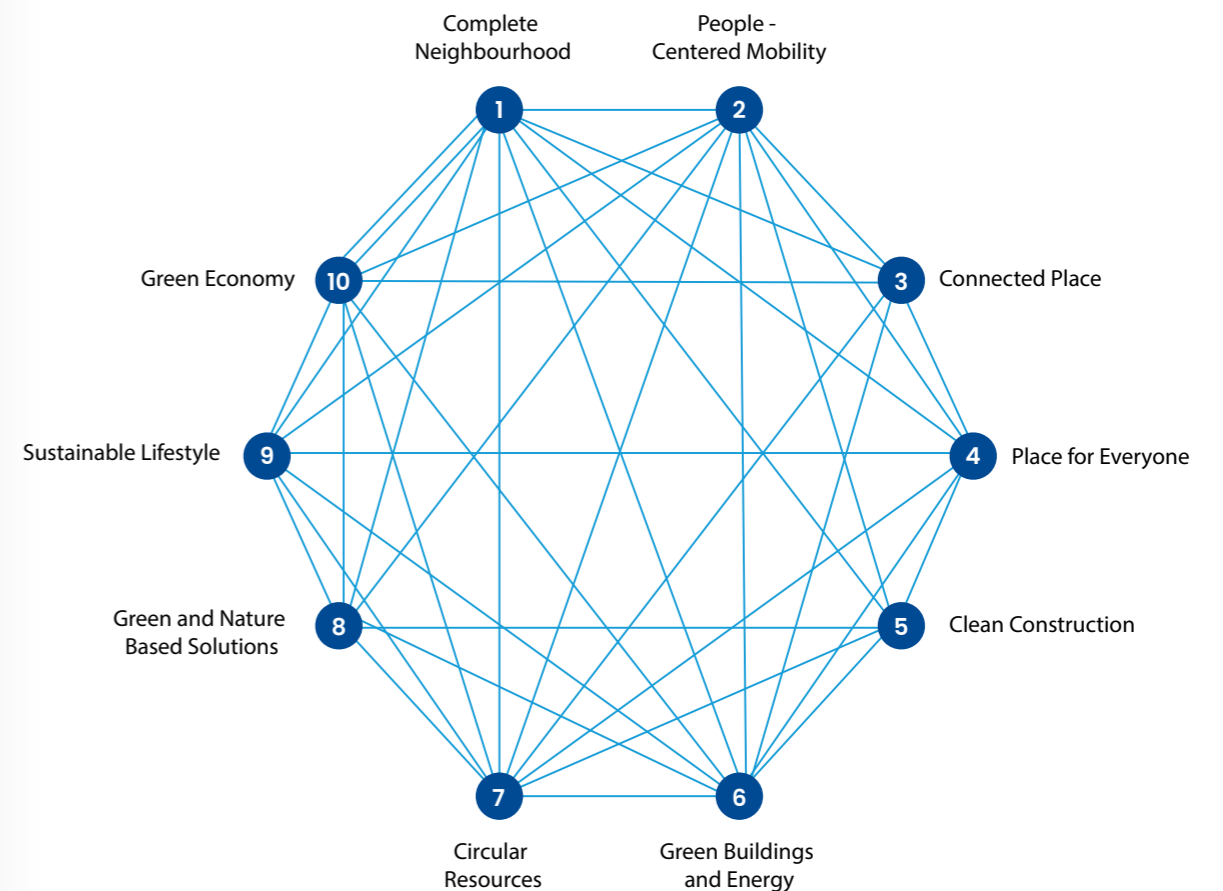
To develop comprehensive and integrated action to reduce emissions and create places that meet the needs of people and strengthen quality of life, 10 approaches have been developed. Drawing on global best practice and case studies from across the C40 network, these approaches can be rapidly endorsed and replicated to achieve low carbon urbanisation that is socially beneficial and widely supported. The 10 key approaches can collectively deliver green and thriving neighbourhoods, including through the creation of 15-minute cities – an urban planning principle which aims to provide everyone with essential amenities within a 15-minute walk or bike ride from their homes.

The 10 approaches can be grouped into three categories:¹

15-Minute Cities

Complete neighbourhoods prioritise local life, providing a compact neighbourhood where people can access everyday needs within a short walk or bike ride from home. This includes safe and equitable access to fresh groceries, healthcare, jobs or workspace and other key services. It relies on mixed-use planning from the neighbourhood scale right down to individual buildings and spaces; every area of the neighbourhood will support multiple purposes.

The 10 Approaches



Net Zero Districts (continued)

Walking, cycling or other non-motorised modes will be the default choice for people to move around in a green and thriving neighbourhood to ensure people-centred mobility. Active transport will be encouraged through the provision of well-designed spaces and supporting infrastructure and services.

A neighbourhood is a place for everyone where equity, accessibility and inclusivity are central goals. The neighbourhood should include varied and affordable homes and amenities that cater for a wide range of needs and incomes. The plan should promote healthy living, a sense of community, and connectedness through spaces dedicated to collective use, such as communal gardens and shared spaces.

While a green and thriving neighbourhood should focus on building a viable local lifestyle, it is also critical to ensure strong physical and digital connectivity with other parts of the city and beyond to ensure that it is a connected place. High-quality digital infrastructure and well-integrated public transport networks are essential to improving social and economic links across the city and to enable more flexible working practices.

Case Study 1; Net Zero Affordable Housing, San Francisco – Creating Homes for Everyone²

The Kelsey Civic Centre is a proposed urban community offering 112 homes for people of all abilities, incomes and backgrounds. The homes are intended to be offered to those who are normally excluded from accessing housing, particularly those with disabilities and from low-income backgrounds. The development will demonstrate that an all-electric, low-carbon building can be affordable to people of all incomes. To support biodiversity and urban agriculture, the project will offer a large garden within the building's courtyard. Efficient units with shared community spaces will minimise resource waste, support low carbon design, and foster a resilient community.

¹https://www.c40knowledgehub.org/s/article/Green-and-Thriving-Neighbourhoods-A-pathway-to-net-zero-featuring-the-15-minute-city?language=en_US

²<https://thekelsey.org/projects/civic-center/>

³<http://www.parisculteurs.paris/en/about/parisculteurs-in-a-nutshell/>

Clean and Green

All construction, both relating to new buildings and refurbishments of existing structures will add embodied emissions to the neighbourhood emissions profile. To minimise this impact, it is important to ensure clean construction and make the most of the existing assets by optimising, reusing and repurposing existing buildings and infrastructure or underutilised space.

Buildings are one of the largest energy consumers in urban neighbourhoods. A green and thriving neighbourhood will need to incorporate green buildings and energy and also minimise building emissions by adopting passive design principles, investing in high-efficiency neighbourhood-wide energy infrastructure and decarbonising energy supply.

It is vital to understand resources as limited and valuable. During the operation phase, a green and thriving neighbourhood should minimise resource use and waste generation. This applies to solid materials, as well as water and energy, aiming to minimise emissions associated with extraction, processing, transmission, distribution and use of all resources. Going further, a neighbourhood scale approach provides an opportunity to instil circular economy principles to conserve and manage resources, and to create a long-term value chain for materials.

Case Study 2: Neighbourhood Material Reuse, Stockholm – Using Materials Efficiently and Switching to Low Carbon Options

Opened by the Royal Seaport in 2019, the Royal Seaport in Stockholm developed and built a Mass Consolidation Centre (MCC) where primarily contaminated material is sorted and reused. To date, more than two million tonnes of excavated materials have been handled onsite and more than 800,000 tonnes have been recycled.

Sustainable Futures

Green and blue spaces are critical features of a net zero, resilient and thriving urban neighbourhood. Urban green spaces are proven to improve physical and mental health and wellbeing, inspire social interaction and improve footfall for local businesses, support biodiversity, and provide ecosystem services such as stormwater attenuation, localised cooling, carbon sequestration and improved air quality. A wide range of green and nature-based solutions will be included, such as parks, tree planting, green roofs and walls, roof gardens, community gardens, allotments or urban farms. Green assets are not short-term interventions, but should be valued and continuously monitored, maintained and improved.

Green and thriving neighbourhoods should make sustainable lifestyles attractive, affordable and easy to achieve. The neighbourhood should equip and empower individuals, promoting a service-based and sharing economy, and supporting long-term behaviour change through effective and sustained awareness-raising, education and skills campaigns, and appropriate financial and policy incentives.

The neighbourhood should create and support the green economy and contribute to long-term prosperity, within the bounds of ecosystem resilience and resource efficiency. This can be achieved by using the development process to incubate new skills and green jobs, providing spaces and infrastructure to attract and support sustainable businesses, and promoting training and upskilling opportunities, especially for young people, older workers and under-represented groups.

Case Study 3: Community Gardens, Paris – Supporting communities and landlords in urban agriculture³

In 2016, the City of Paris created the Parisculteurs programme to facilitate installation of agricultural projects in the city. The programme aims to find available rooftops, walls, parking lots and open lots to give to farmers and communities to help establish the production of food. To date, the programme has helped to identify more than 30 hectares of agricultural land within the city limits. The largest urban farm in Europe is currently under construction. The urban oasis will span approximately 14,000m² and will be tended by around 20 gardeners using entirely organic methods.

The Pathway to Net Zero

The guidebook provides the framework and approaches to help develop ambitious net zero and people-centred neighbourhoods that showcase the future we want to see.

By beginning with low-cost interventions at a neighbourhood scale, cities can build momentum in support of city-wide emission reduction targets and attract funding and investment for larger-scale projects. The development of a green and thriving neighbourhood should be celebrated and considered a learning opportunity for future neighbourhoods to adapt and refine the approach. Successful initiatives at a neighbourhood level can be scaled up to enable us to reach our net zero ambitions.

LÉAN DOODY – INTEGRATED CITIES & PLANNING NETWORK – EUROPE

Léan Doody leads the Integrated Cities and Planning network in Europe. An Associate Director, she has over 20 years of professional experience in the industry which includes working with a variety of clients from city and national governments to private developers, and on projects involving extensive strategy and policy work on the application of smart technologies.

Some of her recent project work includes digital strategy and policy work for the Danish and Singaporean governments, the Greater London Authority, Dublin City Council, Sydney, Canberra and major masterplanning projects in Madrid, Singapore and Dubai. In this evolving field, she has been active in working with research institutes and industry bodies to set international standards and research agendas.

18. Social and Affordable Housing Overview

By Evelyn Hyder, Social & Affordable Housing Consultant,
Hooke & MacDonald

Following another turbulent year in the housing sector, the provision of residential accommodation remains the most critical social and political issue. 2021 continued with its stops and starts witnessing an increased frustration surrounding a lack of good quality affordable homes.

CHRONIC SUPPLY SHORTAGE

A chronic deficiency in supply is causing both house prices and rents to increase substantially. This surge continues to fail the “squeezed middle” i.e., the average earner who neither qualifies for social housing nor meets Central Bank criteria to obtain a mortgage. Our crisis appears to be more impactful than ever, not only in Ireland but also those seeking a move back home observing the scale and depth of this from afar.

An increasing portion of the population are renting in the longer term. There is a gap between mortgage costs and rental levels with a requirement to continue rental payments into the future. As a result the State is under increasing pressure to address lack of housing supply and affordability, and to support security of tenure to renters.

HOUSING FOR ALL – GOVERNMENT HOUSING STRATEGY

September 2021 saw the launch of the much-anticipated new Government housing strategy, **Housing for All (HFA)**, 10-year housing plan replacing Rebuilding Ireland, the previous 5-year plan. Led by the Department of Housing, Local Government and Heritage (DHLEG), it is described by the Minister for Housing, Darragh O’Brien TD, as “*the largest state building programme in our history*”.

Underpinned by two key pieces of legislation, namely the Affordable Housing Act 2021 and Land Development Agency Act 2021, both contain a range of policy measures to increase housing supply and affordability, aiming to address the following:-

- Insufficient private sector residential accommodation to purchase or rent
- Lack of social housing state construction
- Unaffordable housing for a sizeable portion of the population
- Excessive cost to deliver new build homes
- Underutilised vacant residential stock
- Increased number of people experiencing or under threat of homelessness

It will strategically focus on every person having access to sustainable, good quality affordable housing to purchase and rent through the following directives:

- Supporting homeownership and increasing affordability
- Eradicating homelessness, increasing social housing delivery, and supporting social inclusion
- Increasing new housing supply
- Addressing vacancy and efficient use of stock

With an unrivalled budget of €4 billion up to 2030 to deliver over 300,000 units categorised in Table 1 – Housing For All Overall Target and Table 2 – Housing Needs Demand Assessment, projections by tenure type for each year of the 10 year Housing for All plan.

The projected output for social and affordable homes represents 46.1% of overall housing delivery by 2030. Whilst sentiment acknowledged State commitment to provide sustainable and long-term investment in the housing sector, the number of parties debating the issue increased as did erroneous information particularly pertinent to the part of Institutional Investment plays in the provision of social, affordable and private housing.

Table 1 – Housing for All Overall 10 Year Targets

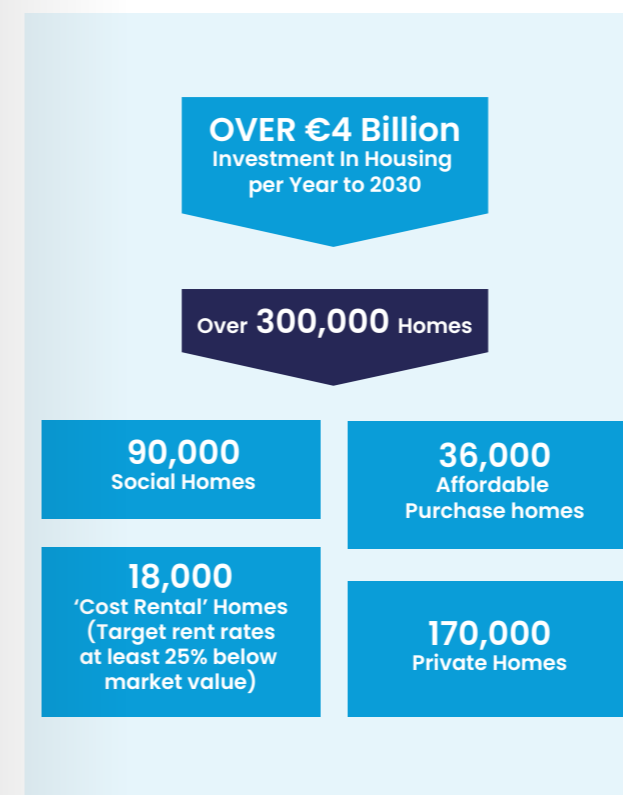


Table 2 – Housing for All 'Housing Needs Demand Assessment' Projections by Tenure Type

HNDA Projection 33,000 Annually to 2030	
Breakdown by Tenure Type	
New private ownership homes	11,800
New private rental homes	6,500
New affordable homes	4,100
New social housing homes	10,300
Total	32,700

Source: Housing for All, Department of Housing, Local Government and Heritage

INSTITUTIONAL FUNDING

Institutional funding and investment is vitally important to housing delivery. Without the institutional funding inflows seen over the last 3-4 years substantial new build apartment developments would not have materialised, many of which have provided new social housing.

As political and public disquiet continued to surround Long Term Leasing (LTL) as well as criticism from high profile private sector commentators to end this practice, HFA effectively responded with an LTL phase out by 2026. The proposed “phasing” appears to have been brought significantly forward. In practice there is no further State support forthcoming. This abrupt end came despite a request from Dublin City Council last October seeking a derogation from Government policy to continue with this avenue of delivery. We understand LTL will also cease as a method of delivery within the Approved Housing Body (AHB) sector.

Even with LTL option coming to an end, an impressive avenue of delivery remains in place. Dublin City Council (DCC) alone reported a plan to deliver 400 units in 2021 with plans to increase this by another 2,500 in 2022 and 2023 thereafter. DHLEG reported overall LTL output up to Q2 2021 was in the region of 1,067 units. Whilst it remains to be seen what impact LTL termination has on overall social housing delivery, it will almost undoubtedly eradicate ongoing institutional/private investment in this sector.

Following debate regarding institutional led acquisition of private homes, new legislation was enacted to minimise the bulk buying of “traditional family homes” by this cohort. This chipping away leads to uncertainty within the institutional investment community, which impacts confidence in Ireland as a place to provide funding.

The requirement for international investment and funding cannot be discounted. Housing For All acknowledges the State cannot provide the entire funding required to deliver the 10-year strategy with external sources of funding required to bridge the gap. The Government will continue to evaluate public funding requirements which will almost certainly involve engagement and collaboration with institutional investors.

Without domestic and international institutional investment involvement the State’s ambition to increase supply and delivery will be compromised.

Social and Affordable Housing Overview (continued)

STATE DIRECT BUILDING PROGRAMME

To alleviate the housing shortages, it has been outlined that social and affordable housing delivery will now largely focus on new build construction. Delivered via Local Authorities (LAs), AHB's and the Land Development Agency (LDA) seeing a dramatic increase in the role of the State as overseers of this process.

Housing Needs Demand Assessments (HNDA) were completed in 2021 by LAs to establish current and future social & affordable housing requirements including types, sizes, and tenure. From this their Housing Delivery Action Plan (HDAP) will correlate with the requisite LA funding available to support delivery. A Housing Delivery Co-Ordination Office (HDCO) has been specifically set up to assist LAs in meeting their housing delivery targets.

The Minister for Housing has indicated an increased level of engagement with key stakeholders to utilise private sector development and construction expertise. The purpose being to create sustainable communities by encouraging a mixed housing tenure through a combination of social, affordable and private housing.

STATE SUPPORT FOR PUBLIC AND PRIVATE SECTOR – AFFORDABLE HOUSING NEW BUILD

To ramp up this historic provision of state housing, a range of support measures are being implemented for both public and private sector to overcome challenges in affordability and viability.

The Programme for Government under Rebuilding Ireland retained the commitment to extend the Serviced Sites Fund (SSF) and now replaced by the Affordable Housing Fund (AHF). This will assist affordable housing delivery on existing LA owned land and not just limited to servicing sites costs as previously.

The Affordable Housing New Build Delivery Supports are set out in Table 3 with further explanation below.

Table 3 - Affordable Housing - Housing for All State Supports

Support	Description
Local Authority Advanced Purchase Arrangement for Un-commenced Residential Development through turnkey arrangements-administered geographically	Local Authority will enter into advanced purchase agreements with private sector for between 10 and 150 units with planning; subsidies available of €50 - 100k subject to certain criteria including a discount of 15% on open market sale and 25% on open market rental value
First Home Fund (Affordable Purchase shared equity scheme) - administered through Local Authority and Private Sector	Jointly supported by State and participating retail banks, equity stake of up to 30% will be available to eligible purchasers. A 3rd party entity will manage this process between State and Private
Cost Rental - not for profit housing, long term secure tenancy at affordable rents - administered through Local Authorities, AHB and LDA	Developers to deliver cost rental tenure; minimum of 20 units and provide discount of 25% on open market rent
Project Tosaigh - LDA/ Private Sector Home Building Partnership	LDA will enter into "forward purchase" agreements on private developments that have un-commenced properties and planning permission in place achieved by March 2022; minimum of 150 units
'Croí Cónaithe' (Cities) Fund - LDA/ Private Sector and may incorporate Project Tosaigh - administered through LDA & Housing Agency	LDA/Housing Agency supporting private sector development of apartments with planning by March 2022 and delivered by end of 2025; focus on Dublin, Limerick, Cork, Waterford and Galway; min of 40 units 4 storeys; sold on to owner occupiers
'Croí Cónaithe' (Towns) Fund - LA's	Supporting town development lacking in serviced sites, refurbishment of vacant properties

NATIONAL ADVANCE PURCHASE ARRANGEMENT FOR TURNKEY UNITS

This is part of the AHF mechanism. It allows LAs to engage with the private sector and enter into purchase agreements for completed units in locations identified with affordability constraint. The State provides up to 30% of the cost with no equity service charge, eligible first-time buyers can utilise Local Authority Home Loan which has seen increased income limits, reduction in interest rates and shared equity.

FIRST HOMES – SHARED EQUITY FUND

This initiative will be delivered through private sector developer/builders. Eligible first-time buyers can avail of shared equity with participating lenders paying up to 30% of unit cost in return, reduced to 20% if using help to buy.

Some believe the introduction of shared equity is game changer as private home ownership is realised for many currently excluded from the market. The Central Bank has cleared the path for lenders to participate in the scheme but has also expressed fear this could push up house prices.

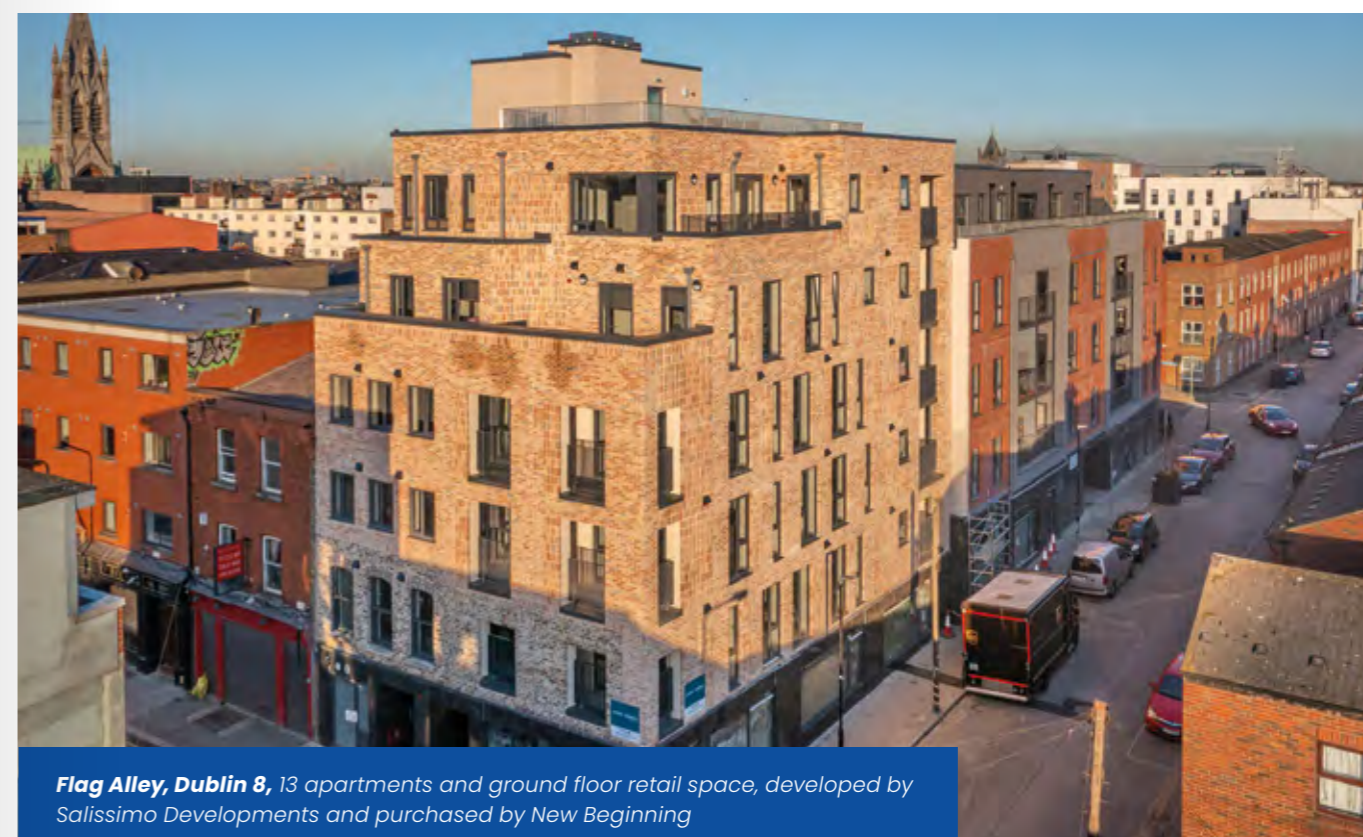
COST RENTAL

During 2021 Cost Rental was implemented as a new form of rental tenure aimed to secure affordable rental accommodation subject to eligibility. Currently Cost Rental is delivered and administered through AHBs. Last year saw three schemes launched with an overwhelming response, with tenants availing of up to an average rent of 40% below comparative market rates.

With an average of 2,000 Cost Rental units delivered annually, targeting at least 25% below market rates will provide security for individuals and families whilst in rental accommodation.

The monetary calculation of Cost Rental accounts for delivery/capital costs, all financing costs, property management and maintenance including cyclical, life-cycling and sinking fund cost. It is envisaged LA's and LDA will also become an integral part of Cost Rental delivery through development of State lands, Project Tosaigh (outlined further) and LA turnkey acquisition.

The Minister for Housing recently introduced further Regulations under the Affordable Housing Act 2021 outlining Cost Rental letting procedures and tenant eligibility.



Flag Alley, Dublin 8, 13 apartments and ground floor retail space, developed by Salissimo Developments and purchased by New Beginning

Social and Affordable Housing Overview (continued)

THE LAND DEVELOPMENT AGENCY

The Land Development Agency (LDA) is to play an integral role in housing delivery. With an improved budget from €1billion to €3.5billion, legislation places a statutory obligation for the LDA to deliver 50% as affordable housing.

The LDA have commenced working on the necessary framework under Project Tosaigh. This measure sees further private sector collaboration to accelerate and deliver mixed tenure housing on undeveloped private lands.

At the end of 2021, a joint webinar between the LDA and Construction Industry Federation (CIF), representing the Irish Homebuilder Association (IHBA), was held to review criteria and mechanics of the Expression of Interest (EOI) process and receive feedback from key stakeholders. Since then, we understand a number of parties have submitted EOIs currently under review by the LDA.

Further private sector collaboration also commenced on the proposed Croí Cónaithe – (Cities) Fund focusing specifically on the delivery of apartments for owner occupiers in urban areas. At the end of last year, the Housing Agency (HA) who are leading this initiative held a workshop with 31 key industry stakeholders with representation from various representative bodies. Hooke & MacDonald had the opportunity to provide input and share experience in private sector apartment development.

Following this, the Government issued a stakeholder notice with Minister Darragh O'Brien commenting "

"This early consultation between my Department, the Housing Agency and a wide range of stakeholders is important in progressing the collaborative and strategic development of this initiative. Its future success depends on open discussion with a broad range of sectors. Croí Cónaithe (Cities) Fund is a key action in the Government's Housing for All plan.

We want to see people making apartments, in high density areas, their home. The steps we are taking now are to ensure there are sufficient apartments in high density areas for 'build to sell', sold at rates which buyers can afford"

An official launch of this Cities fund is due early 2022. With regard to Croí Cónaithe (Towns) Fund which will assist Local Authorities in providing serviced sites and

facilitate individual new builds and refurbishment of vacant units – further details are awaited.

The private sector very much welcomes the new plan, through its measures and monetary supports the State is clearly endeavouring to support home ownership and assist mobilisation of small to medium size builders by removing barriers to allow the sector to grow. This escalation and provision of exit strategies should provide the momentum needed for lenders to increase their appetite to fund affordable housing development.

ENHANCED PART V REQUIREMENT

The likelihood of enhancing Part V social housing obligation has been muted for some time. Under the new plan, the Enhanced Part V Requirement increases from 10% to a minimum of 20% with effect from 3rd September 2021. However, to provide a balanced approach, the period of transition applies to current planning permissions and land purchased between 2015 and before 1st August 2021 remaining at 10%; from 2026, 20% applies to all lands.

LAND VALUE SHARING

Another new concept is Land Value Sharing (LVS) where the state will recoup apportion of increased market value of lands once rezoned and reinvest these monies in social and affordable housing. It is hoped that this measure will reduce land speculation and inflation together with the State receiving a return from increased land values resulting from LAs zoning decisions.

In late December 2021, the Minister published the General Scheme of the Land Value Sharing and Urban Development Zones'. The Bill provides for up to 30% of the value uplift, combined with Part V requirement for 20% social and affordable housing resulting in up to 50% 'land value sharing'.

All or part of the contribution will be safeguarded through planning conditions facilitated by developer financial contributions, land transfer and/or completion of infrastructural works where these works will support further sustainable community development. LVS will also extend to Urban Development Zones (UDZs) where significant development potential including housing is identified.



Broadford Court, Broadford Rise, Ballinteer, Dublin 16 – DLRCCC – Independent Elderly Living

To follow in 2022 is a full economic appraisal, input from expert advisors and key stakeholder engagement. It will also include the compilation of a nationwide zoned land register; enactment of the legislation is expected by the end of the year.

It is proposed that LVS will act in combination with the new Residential Zoned Land Tax (replacing vacant site levy) applying to lands zoned and serviced for residential development on 31st December 2021 and applicable from February 2024. However, there have been many questions surrounding the administration of this levy and whether vacant sites translate into much needed housing remains to be seen.

The significant number of vacant properties nationwide has been long since reported. Another initiative led by the new strategy contains an ambitious strategy to escalate compulsory purchase orders (CPO). The aim is to utilise 2,500 vacant units through CPO process to resell back to the private market.

THE HOUSING COMMISSION

January 2022 saw the first meeting of the newly established Housing Commission (HC), attended by the Minister for Housing, Chair – John O'Connor and newly appointed members from both public and private sector. The body will have a remit that includes long-term housing policy beyond 2030 and assisting the State to deliver affordable housing.

It will examine and report on a variety of areas of interest to both public and private residential development sectors to include the following:

- Capacity of the construction sector to meet housing supply requirements
- Cost and quality of housing, drivers of cost and how they may be addressed
- Affordability of house purchasing for first time buyers, looking at measures to complement or enhance the new housing measures outlined in Housing for All.

Social and Affordable Housing Overview (continued)

RAMPING UP OF HOUSING SUPPLY

With a total investment value of €4.5 billion and despite residential construction being shut down for 3 months in 2021, EY research states in Q4 2021 19,495 residential units were classified as “under construction”.

Based on these buoyant commencement figures, EY anticipates a continuous increase in housing completions predicting 26,000 and 31,000 completions in 2022 and 2023 respectively. The debate of increased supply solving the affordability issue has also been an area of dispute despite the strong evidence to the contrary in other jurisdictions.

However, whilst the new strategy to increase supply is broadly welcomed, the multi-annual, multi-billion Euro Housing for All initiatives firmly put the onus back to the LAs, LDA and AHB to increase delivery of social and affordable housing.

Contributing factors that could challenge capacity and efficiency are as follows:

- Impact of the Strategic Housing Development (SHD) replacement with Large Residential Development (LRD) reverting back to a LA driven process.
- Restrictive housing density in city locations
- Site services and infrastructure
- Increased State expertise required in wide variety of departments with expanded roles
- Shortage of skilled labour
- Rising construction costs and inflation
- Shortage of materials and supply chain disruption
- Timeline from State engagement with private sector to project completion

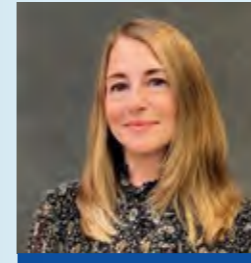
PRIVATE SECTOR COLLABORATION ESSENTIAL

Pivotal to HFA success is continuous private sector collaboration as key stakeholders in public and private housing delivery. The State ambition and newly introduced affordability measures will ultimately be judged on delivery output accommodating social, affordable and private housing sectors and not to the detriment of one sector for another.

Developers and property professionals are starting to get their heads around different State initiatives and how they enable them to increase housing delivery. With LA and LDA expressions of interest under review, it is hoped the mechanics of these schemes become more transparent. Further information is awaited on Project Tosaigh, Croi Conaithe (Cities) & (Towns) Fund as well as the eligibility criteria of Shared Equity Scheme. All these details are essential components of the feasibility process, clarity will encourage fast paced decision making on housing delivery routes.

The current Irish Government of Fianna Fail, Fine Gael and the Green party has 3 years to see Housing for All implemented and this will supply much needed stability. Whilst the role of any opposition is to challenge, they also need to play a constructive rather than obstructive part in addressing this national crisis. The level of Government intervention in housing policy and the market in 2021 was unprecedented, leading to uncertainty not only nationally but also internationally.

With the positive and comprehensive measures announced in Housing for All and a willingness from all sectors it is hoped that 2022 and beyond can provide the rights conditions required to dramatically increase delivery in the social, affordable and private housing sectors. Realising this, where it has been out of reach for so many for too long, will be an important step for all stakeholders and the true legacy in providing housing for all.



EVELYN HYDER

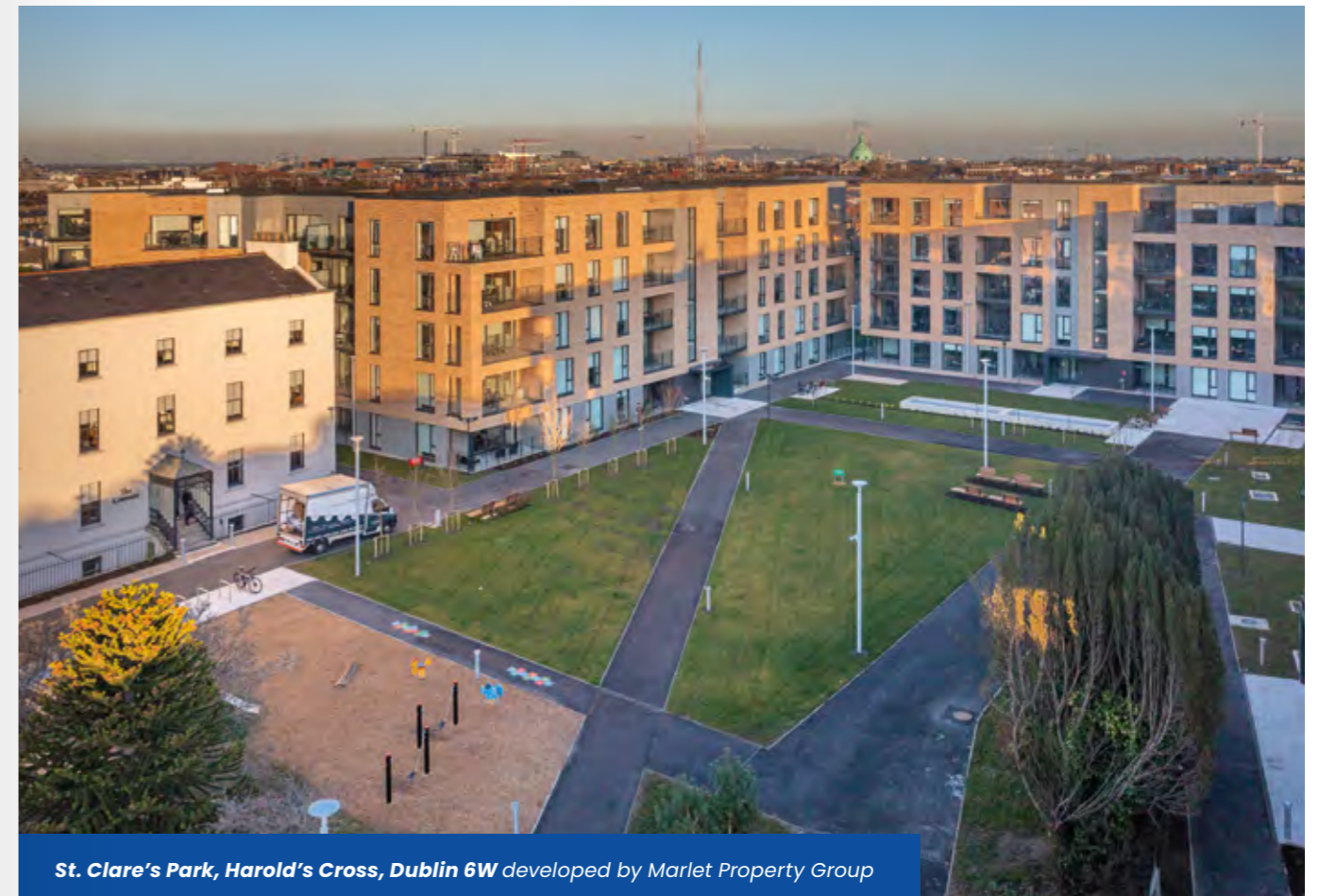
- Evelyn is a social and affordable housing consultant with Hooke & MacDonald. Evelyn is Chartered Surveyor with over 30 year's property experience at Director level both in Ireland and Britain in a variety of sectors including non-profit, private and large corporates. .
- With a proven track record in acquisition/ development and asset/ project management, Evelyn has gained extensive industry experience with specialist knowledge in the delivery of social and affordable housing.
- Having worked in the Approved Housing Body (AHB) sector with Dublin Simon Community, Evelyn was responsible for acquisition and development pipeline. During this time Evelyn secured funding of €32m of Government & private funding. Continuing her career in this sector, she was appointed Head of Development in Oaklee Housing where she led and managed the development team to deliver their €200m+ acquisition/leasing and construction programme. Utilising this experience, Evelyn returned to the private sector to source and deliver Government backed long term social housing leasing nationwide.
- With this extensive breath of experience and in-depth knowledge, Evelyn is now an established independent consultant with a focus on social and affordable housing delivery. In particular, Evelyn advises on a number of key areas including Local Authority needs requirement, funding and legislation across all tenures to a range of private clients. She has also provided advisory services to the AHB sector.
- Crucial to this service is access to her extensive network and established relationships with a wide range of key stakeholders including property professionals, developers, funders, local authorities, Approved Housing Bodies and Government Departments.



Johnstown Place, Dún Laoghaire, Co. Dublin developed by McGrath Group Properties and purchased by Clúid Housing

19. The Top Multi-Family/PRS Transactions in the Greater Dublin Area in 2021

PROPERTY	NO. OF UNITS	TYPE	REPORTED PRICE	AVG PRICE PER UNIT	PURCHASER
1 Multi Location Portfolio	c.900	New Build	€450m	c. €500,000	Ardstone Capital
2 8th Lock, Royal Canal Park, Rathborne, Dublin 15	435	New Build	€200m	€460,000	Union Investment
3 Portfolio in Dublin 11 & 13	401	New Build	€181m	€451,000	Ardstone Capital
4 Griffith Wood, Griffith Avenue, Dublin 9	342	New Build	€176.5m	€516,000	Greystar
5 East Village, Clay Farm, Leopardstown, Dublin 18	295	New Build	€127m	€430,000	BlackRock/SW3
6 Off-market Greater Dublin Area	c.300	New Build	€110m	€367,000	Private
7 Windmill, Clonsilla, Dublin 15	211	New Build	€73m	€346,000	Urbeo
8 Roselawn, Foxrock, Dublin 18	142	New Build	€70.7m	€498,000	Aberdeen Standard
9 Ashbrook, Clontarf, Dublin 3	152	108 Existing Stock 44 New Build	€66m	€434,000	IRES
10 Off-Market - Dublin	151	New Build	€66m	€437,000	Private
11 Marina Village, Greystones, Co. Wicklow	134	New Build	€64.5m	€481,000	Real IS
12 Rostrevor Place, Rathgar, Dublin 6	107	New Build	€63.55m	€594,000	Private
13 Off-market South Dublin	101	New Build	€57m	€564,356	Private
14 Off-Market - West Dublin	150	New Build	€48.25m	€322,000	Private
15 Knockrabo, Mount Anville Road, Dublin 14	63	New Build	€40m	€635,000	Real I.S.
16 Off-market Dublin	78	New Build	€35m	€449,000	Private
17 The Butter Yard, Blackrock, Co. Dublin	67	New Build	€32.4m	€484,000	M&G Real Estate
18 Off-Market - Dublin Portfolio	62	New Build	€30m	€484,000	Private
19 The Casino, Malahide, Co. Dublin	69	Existing Stock	€28.5m	€413,000	Seapoint Capital
20 Robin Hill, Dundrum, Dublin 14	51	Existing Stock	€23.5m	€461,000	Cluid Housing
21 Off-Market - Dublin Portfolio	55	Existing Stock	€20.2m	€367,000	Principal Real Estate
22 Blackhall Square, Smithfield, Dublin 7	39	New Build	€20m	€513,000	Aberdeen Standard
23 Blackbanks, Raheny, Dublin 5	40	New Build	€19m	€475,000	Cluid Housing
24 Prospect Hill, Finglas, Dublin 11	54	Existing Stock	€15m	€278,000	Private
25 Hampton Gardens, Balbriggan, Co. Dublin	40	Existing Stock	€9.7m	€243,000	Solas Living
26 The Atrium, Beechwood Court, Stillorgan, Co. Dublin	25	Existing Stock	€9.55m	€382,000	LRC Group
27 Fawn Lodge & Deerpark House, Castleknock, Dublin 15	27	Existing Stock	€9.5m	€352,000	Solas Living
28 Pim Street, Dublin 8	28	Existing Stock	€9.05m	€323,000	LRC Group
29 Craddockstown, Naas, Co. Kildare	40	Existing Stock	€8m	€200,000	Solas Living
30 Off-market Dublin 1	16	Existing Stock	€7.8m	€487,500	Private
31 Off-market Wicklow	20	Existing Stock	€5.635m	€282,000	Private
32 Off-market Dublin 8	13	New Build	€5.6m	€431,000	Private
33 The Granary, Richmond Road, Dublin 3	14	Existing Stock	€5m	€357,000	Private
34 Primrose Gate, Celbridge, Co. Kildare	27	Existing Stock	€4.81m	€178,000	Solas Living
35 Ivory Building, Lime Street, Dublin 2	9	Existing Stock	€3.6m	€400,000	Seapoint
36 Eblana Avenue, Dún Laoghaire, Co. Dublin	12	Existing Stock	€3.375m	€281,000	Solas Living
	4,670		c. €2.099 billion		

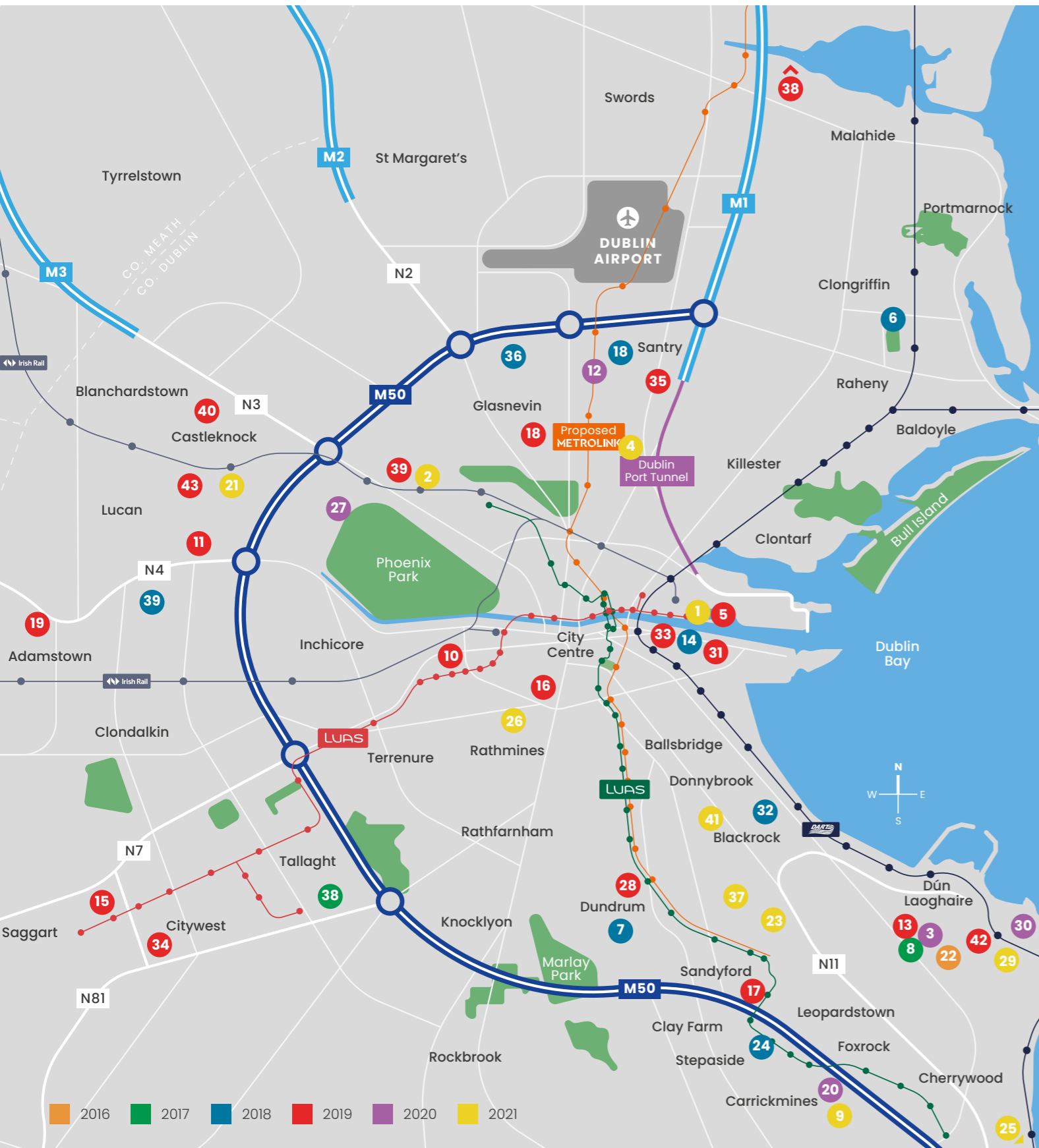


St. Clare's Park, Harold's Cross, Dublin 6W developed by Marlet Property Group



Belvoir, Kilmacud Road Upper, developed by Richmond Homes comprising 55 apartments

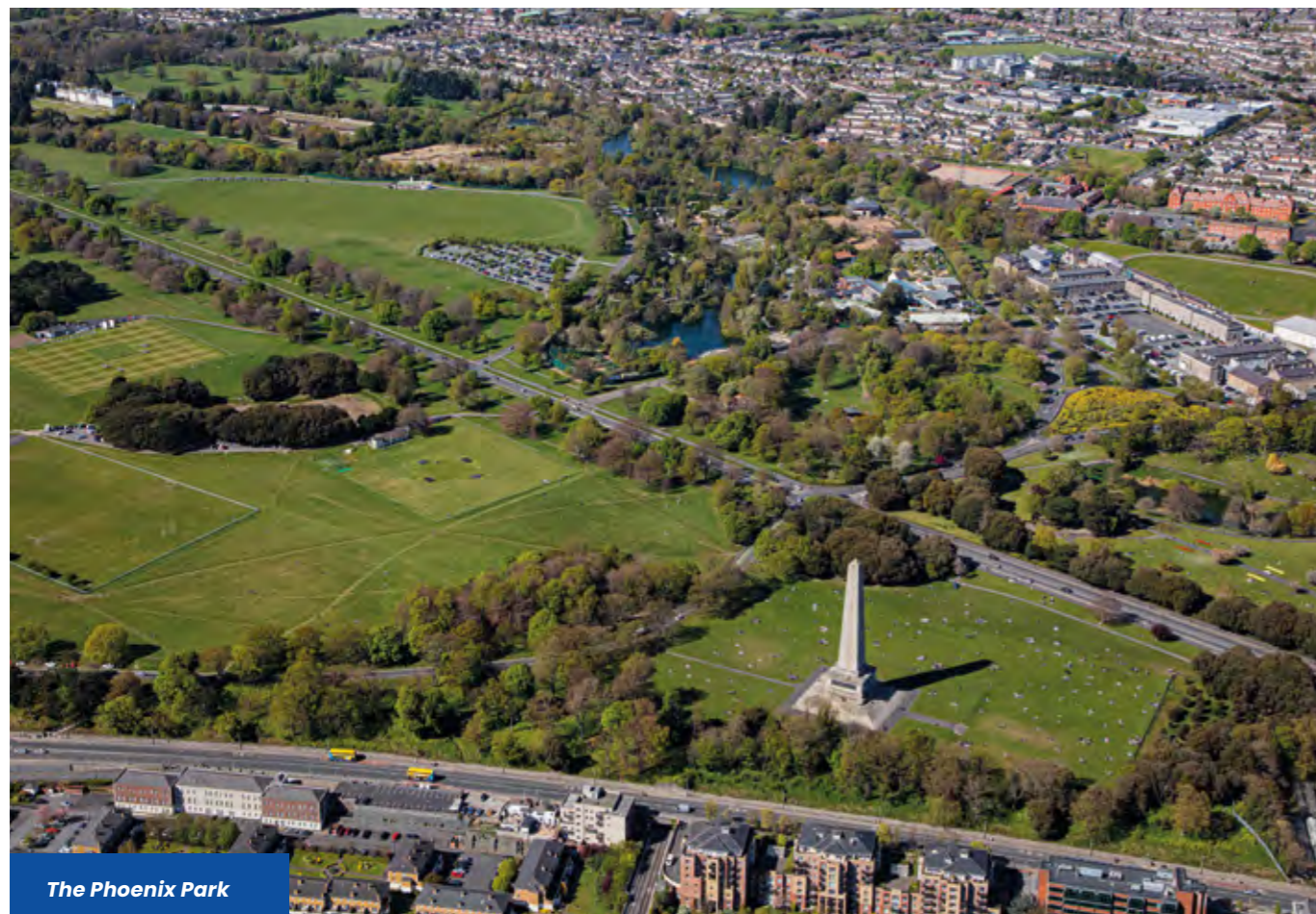
20. The Top New Build Multi-Family/PRS Developments brought to market since 2016



PROPERTY	YEAR	NO. OF UNITS	REPORTED PRICE	VENDOR	PURCHASER
1 Spencer Place, North Docklands, Dublin 1	Q1 2021	393	Guiding €220m	Ronan Group / Colony Capital	On Market
2 8th Lock, Royal Canal Park, Rathborne, Dublin 15	Q1 2021	435	c. €200m	Ballymore	Union Investment
3 Cheevers Court and Holiday House, Cualanor, Dún Laoghaire, Co. Dublin	Q3 2020	368	c. €200m	Cosgrave Group	DWS
4 Griffith Wood, Griffith Avenue, Dublin 9	Q2 2021	342	€176.5m	Cairn PLC	Greystar
5 Dublin Landings, North Docklands, Dublin 1	Q3 2019	268	€175.5m	Ballymore/Oxley	Greystar
6 One Three North, Clongriffin, Dublin 13	Q4 2018	376	€140m	Twinlite	Tristan Capital Partners
7 Fernbank, Churchstown, Dublin 14	Q2 2018	262	€138.5m	Park Developments	Irish Life
8 Leona & Charlotte, Honeypark, Dún Laoghaire, Co. Dublin	Q2 2017	319	€132m	Cosgrave Group	PATRIZIA
9 East Village, Clay Farm, Leopardstown, Dublin 18	Q2 2021	295	€127m	Park Developments	BlackRock / SW3
10 Off-Market - South Dublin	Q4 2019	265	c. €127m	Private	Private
11 Off-Market - Dublin	Q4 2019	300	€125m	Private	Private
12 Blackwood Square, Northwood, Santry Demesne, Dublin 9	Q4 2020	297	€123.5m	Cosgrave Group	Round Hill Capital & QuadReal Property Group
13 Fairway, Culanor, Upper Glenageary Road, Dún Laoghaire, Co. Dublin	Q1 2019	214	€108m	Cosgrave Group	DWS
14 Opus, 6 Hanover Quay, Grand Canal Dock, Dublin 2	Q2 2018	120	€101m	Cairn PLC	Carysfort Capital
15 The Quarter at Citywest, Co. Dublin	Q3 2019	282	€94m	Cairn PLC	Urbeo
16 Mount Argus, Harold's Cross, Dublin 6W	Q3 2019	166	€93m	Marlet Property Group	PATRIZIA
17 Woodward Square, Glencairn Gate, Leopardstown, Dublin 18	Q4 2019	160	€85m	Park Developments	Irish Life
18 Bridgefield, Santry Demesne, Dublin 9	Q4 2018	216	€84m	Cosgrave Group	Round Hill Capital
19 Shackleton Park & Gandon Park, Lucan, Co. Dublin	Q4 2019	229	€78.7	Cairn PLC	Carysfort Capital
20 Clay Farm 1C, Leopardstown, Dublin 18	Q3 2020	192	€75m	Park Developments	Urbeo
21 The Windmill, Clonsilla, Dublin 15	Q3 2021	211	€73	Kimpton Vale	Urbeo
22 Neptune & Honeypark, Dún Laoghaire, Co. Dublin	Q2 2016	197	€72.5m	Cosgrave Group	SW3 Capital & Tristan Capital Partners
23 Roselawn, Foxrock, Dublin 18	Q4 2021	142	€70.7m	Richmond Homes	Aberdeen Standard
24 Elmfield, Ballyogan Road, Leopardstown, Dublin 18	Q1 2018	185	€68.5m	Dwyer Nolan	SW3 Capital & Tristan Capital Partners
25 Marina Village, Greystones, Co. Wicklow	Q1 2021	134	€64.5m	Glenveagh	Real IS
26 Rostrevor Place, Rathgar, Dublin 6	Q3 2021	107	€62.65m	Cairn PLC	Hines European Core Fund
27 Phoenix Park Racecourse, Castleknock, Dublin 15	Q4 2020	146	€60m	Flynn & O'Flaherty	I.RES REIT
28 Herbert Hill, Dundrum, Dublin 14	Q4 2019	90	€55m	Glenveagh	Real IS
29 Off-Market, South Dublin	Q4 2021	101	€57m	Private	Private
30 Harbour Road, Dalkey, Co. Dublin	Q4 2020	94	c. €54m	Winterbrook	Irish Life
31 The Benson Building, Grand Canal Dock, Dublin 2	Q3 2019	72	€52.5m	TIO	PATRIZIA
32 Project Merrion, Merrion Road, Dublin 4	Q4 2018	69	€47.05m	Dalata	I-RES REIT
33 Ropemaker Place, Cardiff Place, Dublin 2	Q4 2019	56	€46m	Marlet Property Group	Real IS
34 Citywest Village, Citywest, Co. Dublin	Q1 2019	129	€46m	Davy Hickey	Urbeo
35 Swiss Cottage by havitat, Swords Road, Santry, Dublin 9	2019	120	c.€43.5m	M.B. McNamara	Avestus / havitat
36 Hampton Wood, Finglas, Dublin 11	Q1 2018	128	€40m	Dwyer Nolan	I-RES REIT
37 Knockrabo, Mount Anville Road, Dublin 14	Q4 2021	63	€40m	Bain Capital/Regency	Real IS
38 Taylors Hill, Balbriggan & Semple Woods, Donabate, Co. Dublin	Q1 2019	118	€38.2m	Glenveagh	Private
39 Off-Market - West Dublin	Q1 2018	100	€38m	Confidential	Confidential
40 Hampton Wood, Finglas, Dublin 11 (Phase II)	Q3 2019	92	€35m	Dwyer Nolan	Approved Housing Body
41 The Butter Yard, Blackrock, Co. Dublin	Q3 2021	67	€32	Barina Property Group	M&G Real Estate
42 Off-Market - Dún Laoghaire, Co. Dublin	Q4 2019	67	€30m	Private	Private
43 Off-Market, Hansfield, Dublin 15	Q4 2019	95	€30m	Private	Urbeo



Government Buildings, Dublin 2



The Phoenix Park

21. The Sad Passing of A True Gentleman – Joe Cosgrave 1959 – 2022



Brothers, building new houses and then apartments throughout Dublin. They went on to make a massive contribution to the Irish construction industry building a great reputation for their exceptional standards of design, construction, finishes and landscaping. They spearheaded sustainability and energy efficiency long before its importance came to be appreciated as it is now. They also led the way with urban renewal in Dublin. They have won numerous awards over the years.

The Cosgrave Property Group celebrated 40 years in business in 2019. They had built 7,135 houses and apartments by that date and have since built another 1,000 plus units, with a twin-tracked approach, supplying homes for both the sale and rental markets. Their core strengths are; their team of key people, the selection of well located sites, their expertise in providing a quality product that meets market demand. They have also produced significant commercial developments, amounting to 1.75 million sq.ft., a sector developed by the late Peter Cosgrave who sadly passed away in 2019.

Willie Cosgrave, the youngest of the family has become a key part of the development team in recent years, working closely with Michael. The Group successfully weathered the housing recession and have gone on to produce some outstanding quality developments in the last few years in Dún Laoghaire, Santry and Bray. Their Honeypark and Cualanor development on the site of the old Dún Laoghaire Golf Course, comprising nearly 2,000 homes, won the ULI/CBRE sponsored National Placemaking Award in 2020, Property Excellence Award for “Community Benefit” and numerous Sustainable Energy Awards. The success of the company never changed Joe one bit. He will be sadly missed.

Our thoughts and prayers are with Joe’s wife Denise, his daughters Kate and Laura, brothers and sisters Michael, William, Helen and Patricia and all the Cosgrave family at this sad time. May Joe Rest in Peace.

A lifetime of Achievement in the Construction Industry

Joe Cosgrave, the eldest of the Cosgrave brothers, has sadly passed away just coming up to his 63rd birthday in March. Joe was a larger than life person, a giant of a man in every respect, a true gentleman who went out of his way to help everyone he could – most of it with unseen acts of kindness and generosity, honesty and integrity to the fore. He was great company and good fun to be with. Success never changed him one bit.

Joe was reared in Churchtown, Dublin with his brothers, the late Peter; Michael; William; sisters Helen and Patricia. Their father Jack was a popular character in the Dublin construction scene. Joe was a carpenter by trade. In 1979 he, Peter and Michael set up Cosgrave

22. Hooke & MacDonald Development and Investment Team

The Hooke & MacDonald dedicated development and investment team would be glad to discuss any queries you may have on this report, the market or any existing or future projects.

Hooke & MacDonald's expertise and strong track record in multi-unit development, lettings and property management puts the company in a unique position to advise on new project design, lettability, management costs, capital values, investment yields and sales.



KEN MACDONALD
MANAGING DIRECTOR
ken@hmd.ie
T 01 661 0100
M 086 256 3851



DAVID CANTWELL
DIRECTOR
davidc@hmd.ie
T 01 631 8402
M 086 256 3852



DAVID LAWLOR
DIRECTOR
davidl@hmd.ie
T 01 631 8402
M 086 821 9848



ENDA MOORE
DIRECTOR
endam@hmd.ie
T 01 631 8452
M 086 255 6445



DONALD MACDONALD
DIRECTOR
donaldm@hmd.ie
T 01 631 8450
M 087 207 0283



GAVIN HANLON
DIRECTOR
gavinh@hmd.ie
T 01 631 8454
M 086 238 1388



RENAGH MACDONALD
DIRECTOR
renaghm@hmd.ie
T 01 661 8404
M 086 819 7797



DES DONNELLY
DIRECTOR
desd@hmd.ie
T 01 661 8402
M 086 250 3591



CONOR STEEN
ASSOCIATE DIRECTOR
conors@hmd.ie
T 01 631 8433
M 086 816 8836



NIALL DELANEY
ASSOCIATE DIRECTOR/
LETTINGS MANAGER
nialld@hmd.ie
T 01 631 8424
M 086 047 8678



SEBASTIAN JUDD
ASSOCIATE DIRECTOR
sebastianj@hmd.ie
T 01 631 8443
M 087 782 2013



LUCY O'TOOLE
MARKETING & COMMUNICATIONS
MANAGER
lucyo@hmd.ie
T 01 631 8419



CHRISTINE MCGOWAN
ASSOCIATE DIRECTOR
christinem@hmd.ie
T 01 631 84 93



TOM MILLER
ASSET MANAGER
tom@hmd.ie
T 01 631 8436



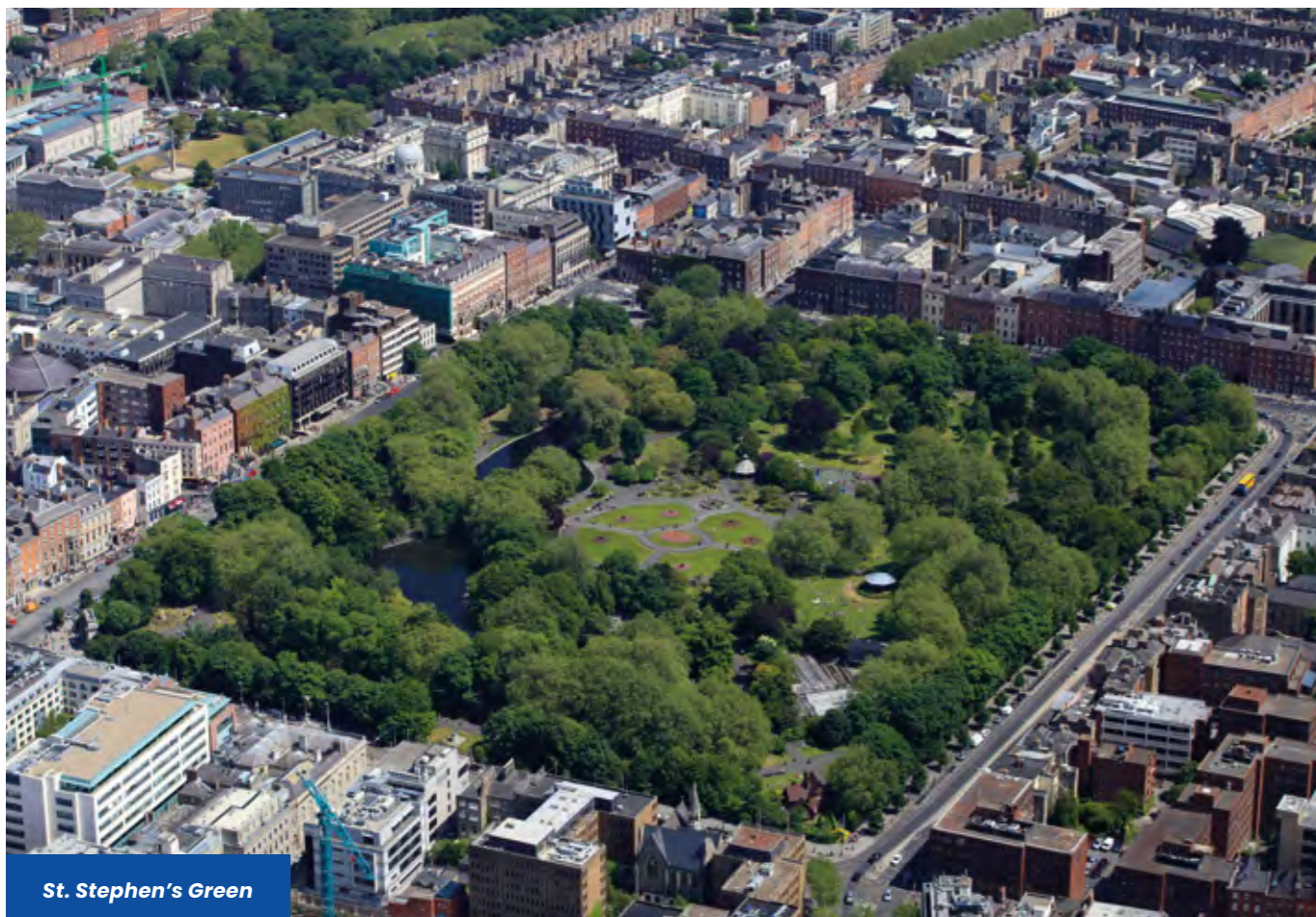
GAVIN FITZPATRICK
SENIOR ASSOCIATE –
PRS OPERATIONS
gavinf@hmd.ie
T 01 631 8404



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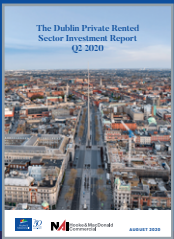
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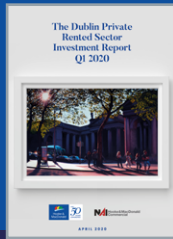
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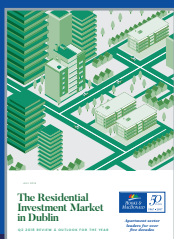
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