

*Green Vale, Walkinstown, Dublin 12*

**BTR MARKET JUSTIFICATION REPORT**



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# Introduction

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The objective of this report is to demonstrate the requirement for a Build to Rent development at the Former Chadwick's site, Greenhills Road, Walkinstown, Dublin 12.

The subject site is positioned to the south of the Ballymount Industrial Estate and east of the landmark Walkinstown roundabout. The proximity to the Walkinstown roundabout connects the site to the local community.

The potential scheme is well served by public transport. Existing bus links from Greenhills / Mulcahy Keane Estate bus stop, 2 minutes' walk away from the application site, offering a good public transport service with direct links to Jobstown, Clare Hall, Dublin City, the Dublin Docklands, Citywest Campus and Tallaght. The Kylemore LUAS station is approximately 1.9km from the site. A Quality Bus Corridor is proposed to run along the northern boundary of the site connecting the site to Tallaght, Clondalkin and the Dublin City Centre further enhancing the site's connectivity.

Additional accommodation is required in the area to meet the demand from young adults within the established Walkinstown residential community, the extensive workforce connected to the local area and those seeking modern, well designed homes with strong public transport connections. Crumlin Hospital is less than a thirty-minute walk away. The Tallaght university campus is an easy commute to the south of the site

Our report addresses the changing population, improvements in local infrastructure and the overall residential market context and provides an overview into the requirement and operation of professional managed residential stock.



Source: Site Boundary, CWOB Architects





Source: Site Location, CWOB Architects

## About JLL Living

JLL Living operates worldwide in all sectors of Residential accommodation. Living encompasses the full life cycle of accommodation – Build to rent, build to sell, student housing, co-living, residential, affordable housing, sustainability and healthcare. We combine human insight with market research to fulfil the changing human needs within the market for the provision of housing.

Across multiple UK and Irish offices, we are directly involved in the acquisition, design, block and tenant management of approximately 8,000 BTR units across UK and Ireland. Our team have the skills to impartially advise on the correct allocation of residential resources within the Irish market specifically within the Greater Dublin Area.

## SITE DETAIL

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### Proposal

The proposal encompasses a site area of some 2.79 ha (6.89 acres) in a roughly rectangular shape that follows the Greenhills road as it runs from the Walkinstown roundabout towards Tallaght.

There are existing low-rise obsolete industrial units featured on the subject site which are proposed for demolition as part of the development proposal.

### Description of what is to be provided

The site is a logical first step in creating residential accommodation in this area as it allows for contiguous residential development along the Greenhills Road from the retail hub at the Walkinstown Roundabout that connects into the established residential suburbs of Walkinstown, Crumlin, Kimmage and on to Terenure to the north and east.

The intention behind the proposed scheme is to create a vibrant Build to Rent community providing 633 homes to the younger populations from the surrounding established communities, the many workers in the nearby employment hubs and students seeking accommodation close to university. 64 Part V homes will be addressed in this planning as required to help create an integrated community.

We seek to demonstrate to South Dublin County Council that there is a deep existing and ongoing demand for Build to Rent within this local area. Reflecting on the Department of Housing, Planning and Local Government published in the December 2020, 'Design Standards for New Apartments – Guidelines for Planning Authorities', it is clear that there is a need for BTR properties as they "can provide a viable long-term housing solution to households where home ownership may not be a priority, such as people starting out in their careers and who frequently move between countries in the pursuance of career and skills development in the modern knowledge-based economy."

Our goal is to make clear the demographic demand generated within the market for such a build to rent development and how this will meet demand for accommodation in the currently massively undersupplied Dublin housing market with the additional benefits of

- 1) Well-designed scheme.
- 2) Tenant amenities well above the norm in build to sell developments.
- 3) Professionally managed block and run with best international practice for tenant management.

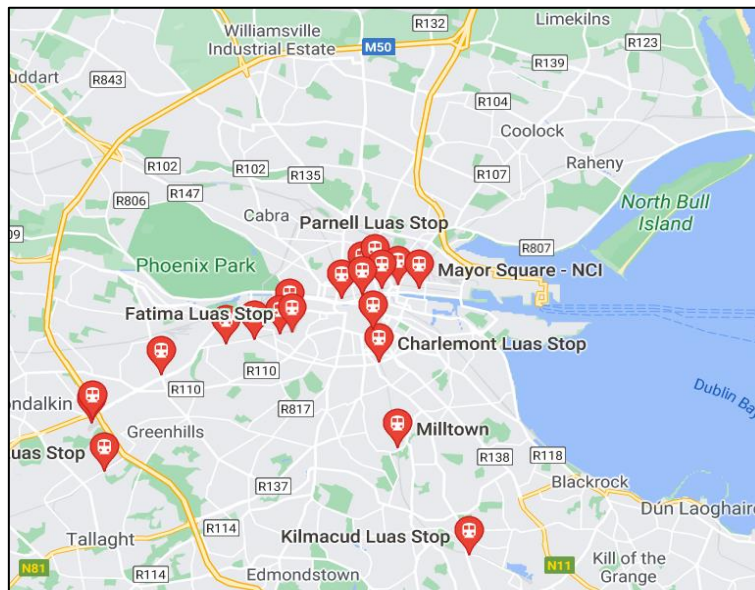
# PUBLIC TRANSPORT LINKS/ SITE CONNECTIVITY

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## LUAS

LUAS Red Line connecting to:

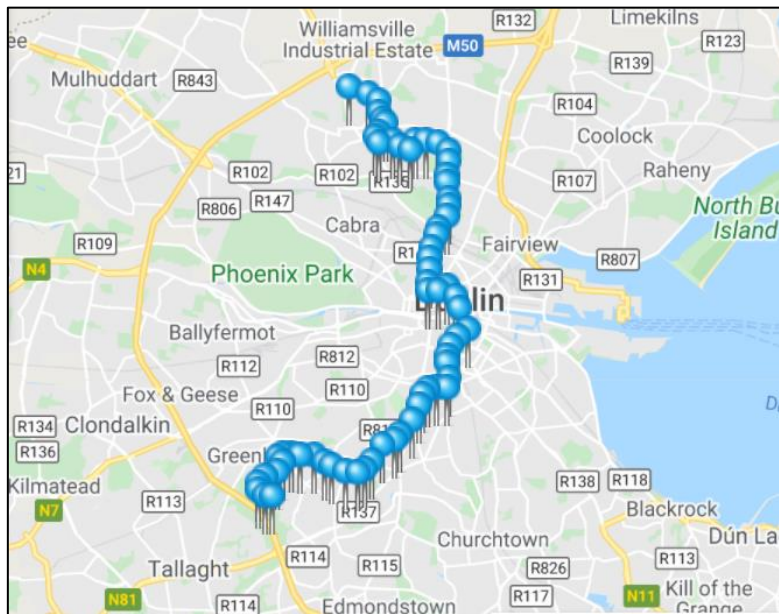
Saggart, Citywest, Tallaght Hospital, Kingswood, Red Cow, Kylemore, Bluebell, Blackhorse, Drimnagh, Rialto, James Hospital, Heuston, Smithfield, The Four Courts, Bus Aras, Connolly Station, Spenser Dock and The Point.



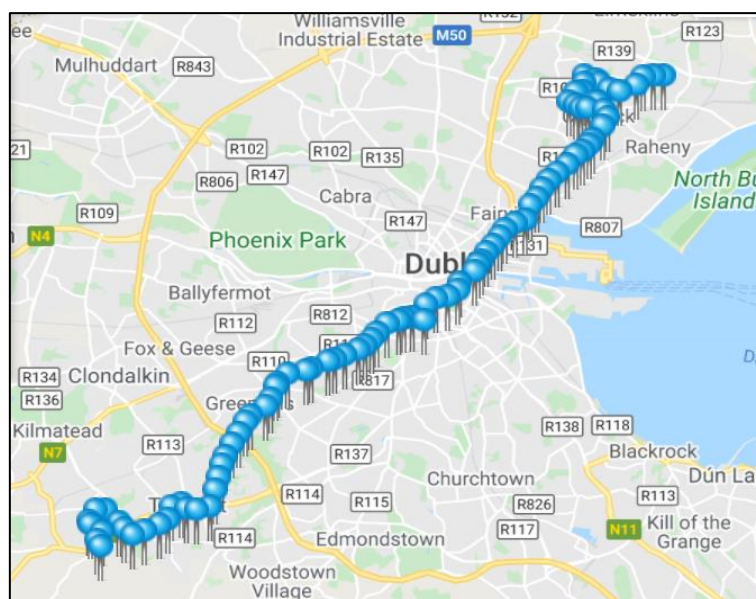
## Dublin Bus

Local Stops Connecting to:

**9** – Greenhills College, Kimmage, Terenure, Harolds Cross, Clanbrassil Street, Rotunda Hospital, Broadstone Depot, Glasnevin, Finglas, Charlestown Shopping Centre



**27** – Tallaght Hospital, Walkinstown, Drimnagh, Crumlin Hospital, Coombe Hospital, Central Bank, Bus Aras, Connolly Station, Marino, Coolock and Clare Hall.





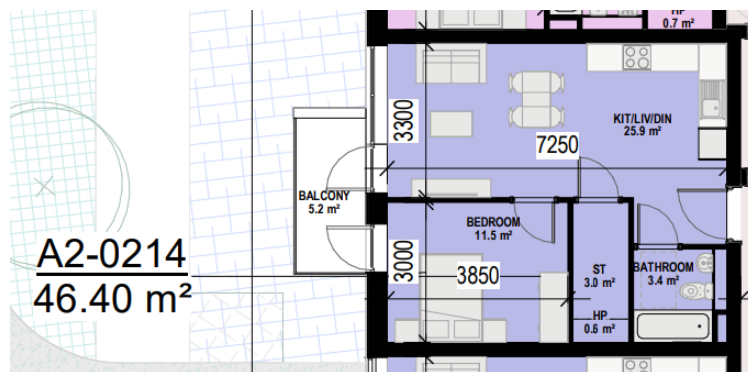




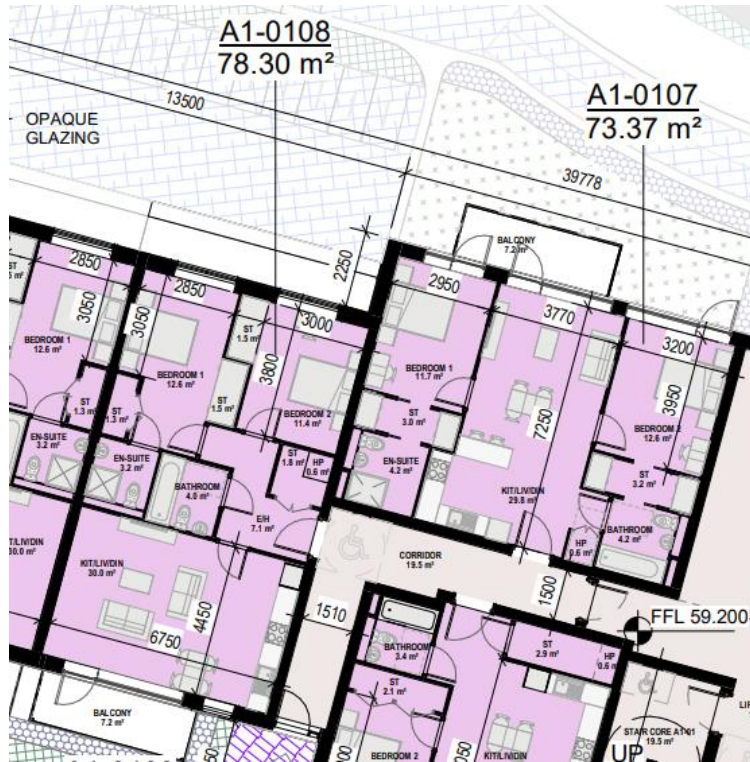
## Summary

The Former Chadwick's Site as set out in the planning application will provide:

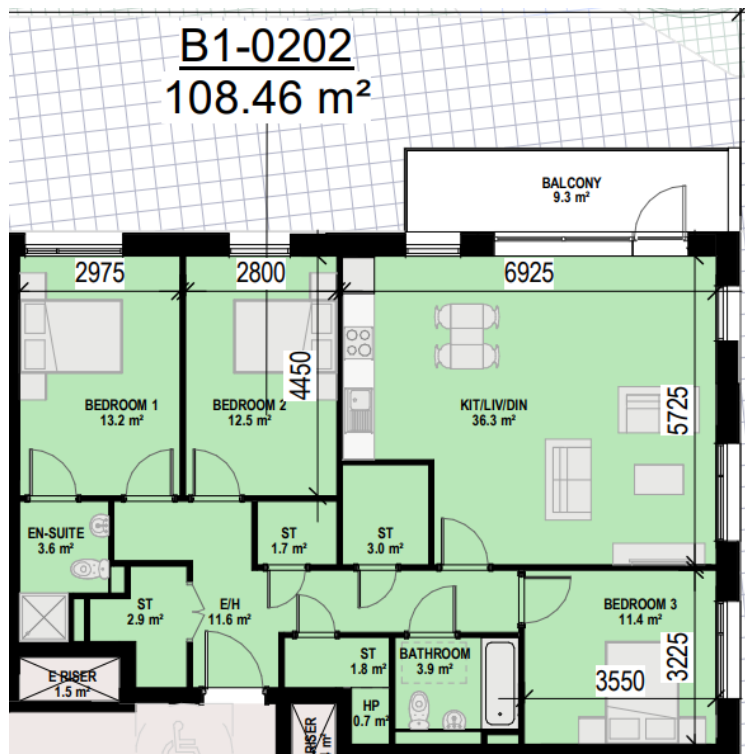
- 633 Residential units. Broken down as follows.
  - 292 x 1 Beds - Average size 48sq.m./ 516sq.ft.
  - 25 x 2 Bed (3P) - Average size 67sq.m./ 721sq.ft.
  - 255 x 2 Bed (4P) - Average size 77sq.m./ 828sq.ft.
  - 61 x 3 Bed – Average size 106sq.m./ 1,127sq.ft.
- 439 parking spaces
- A large creche, play area, commercial space, extensive internal and external resident amenity space.
- This unit breakdown allows for a mixture of unit types in keeping with satisfying the demand within the market for a variety of bedroom options.
- The average sizes of the apartments by unit type are typically as large or larger than provided by the existing housing stock within the area.
- The apartment layouts are of good modern design, there is plenty of living space, there is extensive use of full length glazing and there is ample storage.



Typical 1 bedroom layout



Typical 2 bedroom layouts



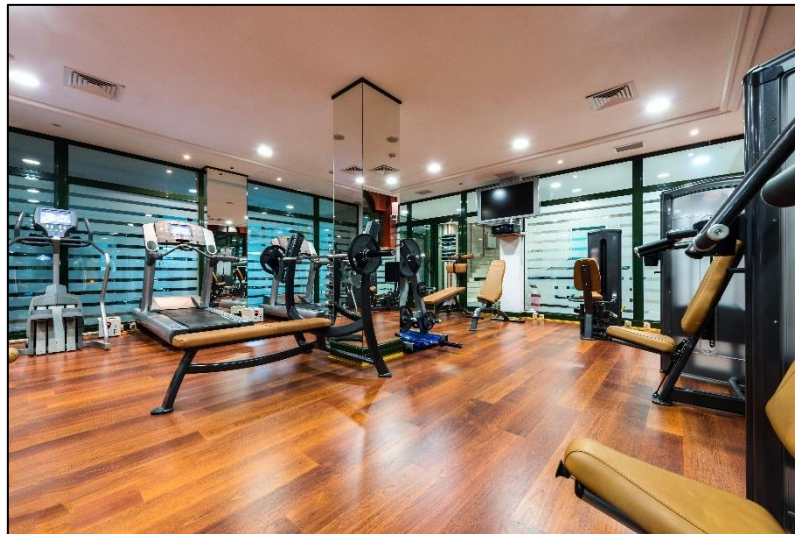
Typical 3 bedroom layout

- Direct from Appendix 11: South Dublin Housing Strategy and Interim HNDA 2022 -2028. By 2031, household composition for the County is anticipated to be made up of 1, 2 and 3 person households totalling 65%. Four persons+ households will make up the remaining 35%, some of which will have a need for two bed units. In recognising that each Neighbourhood in the County has different needs but considering the share of 35% 4-person households requiring larger units, there is a need to address this requirement by accommodating a similar percentage of 3-bedrooms+ in new developments (Section 6.7). Where there may be justification for not conforming to this general requirement, this should be catered for by allowing for flexibility in circumstances where a reduced level of three beds may be appropriate. Such consideration may typically arise in infill development in established urban areas where there is a preponderance of three beds and greater within a short walking distance of any proposed development. It is also noted that the County has had a sustained net out migration, especially in the early formative household years (Section 4.4). To encourage and provide for this demographic group to return and/or remain in the County, it is important to provide a mix of housing type to encourage them to stay and to provide the necessary housing mix as they progress to the family formation stage. In relation to the section 28 Guidelines 'Sustainable Urban Housing; Design Standards for Apartments' 2020, the evidence above is put forward to overcome restrictions on 3 bed units under SPPR1.
- 64 No. Part V units ensuring a diverse, inclusive, and sustainable community.
- Total internal amenity space of 1,293sq.m./ 13,917sq.ft. Including a concierge suite, multiple lounges, co-working spaces, individual office/ meeting rooms, gym, media room and open multi-function spaces suitable for meetings/ group classes. These spaces will encourage residents to mix and engage with neighbours. This scheme is designed to create a community.
- Total external amenity space of 5,196sq.m./ 55,929.ft. including a 11<sup>th</sup> floor roof terrace.
- A creche of some 360sq.m/ 3,875sq.ft. with 100sq.m./ 1,076sq.ft. of an external play area.
- Car parking is a total of 439 spaces, includes 5 no. Go Car spaces, 21 no. disabled spaces, 15 no. commercial/unloading/ resident parking and 398 no. standard spaces.
- Bicycle parking is a total of 1,363 spaces, includes 7 no. cargo bike spaces, 5 no. accessible bike spaces, 316 no. visitor bike spaces and 1035 no. standard spaces.
- There is also 4 no. motor bike parking spaces delineated.

- Apartments with a better standard of finish that would be offered by the private market.



- Gym facilities.





- Co-working space to acknowledge the change in how people work since Corona Virus has entered our daily lives.



- Private balconies allowing for personal external spaces.
- Well-designed open squares and spaces with the building incorporating hard and soft landscaping.



- An on-site office for a concierge augmented by 24 hour assistance for tenants with property maintenance issues.



- 1,330sq.m./ 14,315sq.ft. commercial space to provide business opportunities. The spaces are various sizes and would allow for a variety of uses.
- Wellness for the tenants will be built into the scheme through the provision of the outlined amenities which go far beyond the norm in build to sell. Exercise is promoted by the gym on your doorstep. Shared tenant spaces allow for interaction with neighbours and community building across shared interest through cinema/ book clubs etc. Landscaped outside spaces give tenants quiet spaces for thought and fresh air. Larger tenant entertainment spaces are included in the design for when more space is needed for celebrations or larger gatherings this is augmented by external seating and play spaces. Work from homes spaces/ co-working spaces allow for a change of scenery while not travelling to an office or place of work. All these amenities are supported by an onsite Scheme Host who ensures the maintenance and presentation of the individual units/ the common areas are second to none. This onsite host is a point of contact for the tenant and ensures that their tenure at the building is as pleasant and professionally managed as possible.

The scale of this scheme creates an enormous opportunity to redefine and reinvigorate what is an under-utilised site with excellent proximity to employment, transport and educational hubs. Our market observations of the local area have seen a continuous move upmarket in terms of pricing as a knock-on effect of rising prices in neighbouring communities. As prices have risen in Terenure, Kimmage, Crumlin and Knocklyon the children of existing residents are priced out of buying locally. Renting in the area they have known their whole lives allows them the first step towards independence and is a natural progression in their lives but to do this affordable and sustainable accommodation must be in place.

Government policy has recognised that the apartment type dwellings required by such individuals will not be supplied by the traditional Build to Sell model due to an imbalance of mortgage constraints and rising build costs. Build to rent is the solution to the provision of accommodation in such areas as Greenhills Road.

## Key Points

- The Development seeks to make a much better use of the site, replacing poorly located buildings out of sync with current desired uses within the M50 with a residential development designed with a purpose and an end user in mind.
- The scheme is beside a mature residential area and will add more accommodation to the area that is accessible for the people working and who have grown up in that area.
- The scheme has excellent connectivity to the Bus, LUAS and national road network.
- The occupants of these apartments will help support the existing community's infrastructure. The Walkinstown community has retail, schools, churches and clubs. The provision of this development helps the end users of those amenities locate near them.

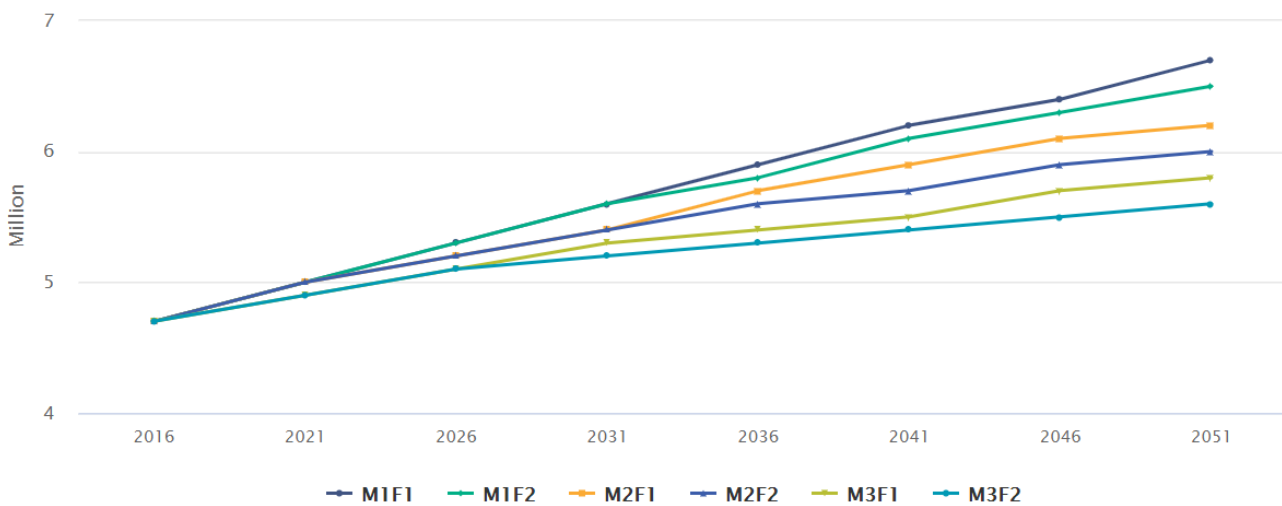
# Population/ Demand Forecast

## Expected Population Growth National

The Central Statistics Office (CSO) released the Population and Labour Force Projections 2017-2051 report to allow for proper planning for Government planning. Commenting on the report, James Hegarty Statistician said: “Ireland’s population, which stood at 4.74 million in April 2016, is projected to reach 6.69 million in 2051 (a rise of just under two million persons) if there is high net inward migration and high fertility. Even with low net inward migration and declining fertility, Ireland’s population is still expected to reach 5.58 million in 2051.”

Ireland is currently experiencing strong population growth. The population growth is a result of internal demographic growth and internal net migration. Both cohorts are the intended end user of Build to Rent accommodation.

CSO Population Projections 2016 - 2051



\*M1F1-M3F2 are different levels of CSO forecasts and span the estimated possible outcomes

Source: CSO



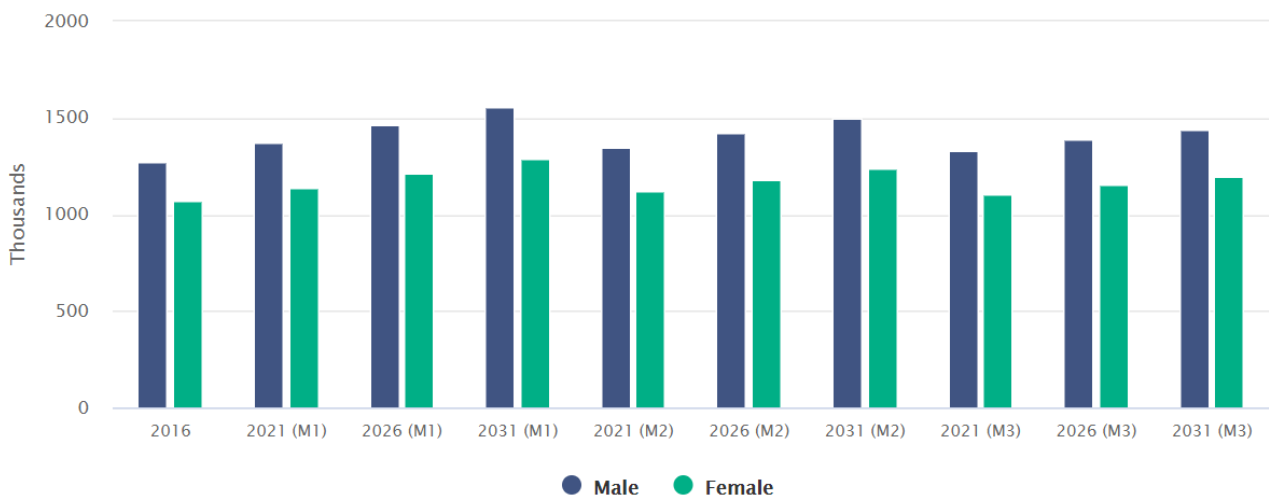
## Labour Force Growth set to Continue

A further part of the CSO’s June 2018 release on Population and Labour Force Projections addresses the potential Irish labour force growth. *Assuming net inward migration of 10,000 people annually (M3), the labour force is expected to grow from 2,338,600 persons in 2016 to 2,628,700 in 2031, or a rise of 12.4% over the period.*

*With the more optimistic M2 scenario there is a rise of 397,800 (+17.0%) to a labour force of 2,736,400 persons in 2031 while the most optimistic scenario M1 has a rise of just over half a million (504,300 persons or +21.6%) to 2,842,900. These equate to annual labour force increases of approximately 33,600 under M1, some 26,500 under M2 and 19,300 persons under M3.*

Ireland’s sustained economic prosperity relies heavily on the future digital economy. Much of the growth in this area requires the importation of skilled labour from abroad. The ability to import this labour depends on the provision of rental accommodation for this mobile sector of the workforce.

CSO Actual and Project Labour Force by Sex 2016 - 2031



\*M1-M3 are different levels of CSO forecasts and span the estimated possible outcomes

Source: CSO

The CSO expect strong net migration to Ireland and Dublin. South Dublin is missing out on the culturally and social enriching benefits of migration according to the Housing Strategy and Interim HND A report there is a very low percentage of people born outside the state and county coming to live in South Dublin. The only areas within South Dublin attracting such people are Lucan, Templeogue, Rathfarnham, Newcastle, Rathcoole, Saggart and Adamstown. There is no coincidence that most of these areas have been subject to large scale residential development in recent years and have been able to offer the high-quality residences that attract parties seeking a home.

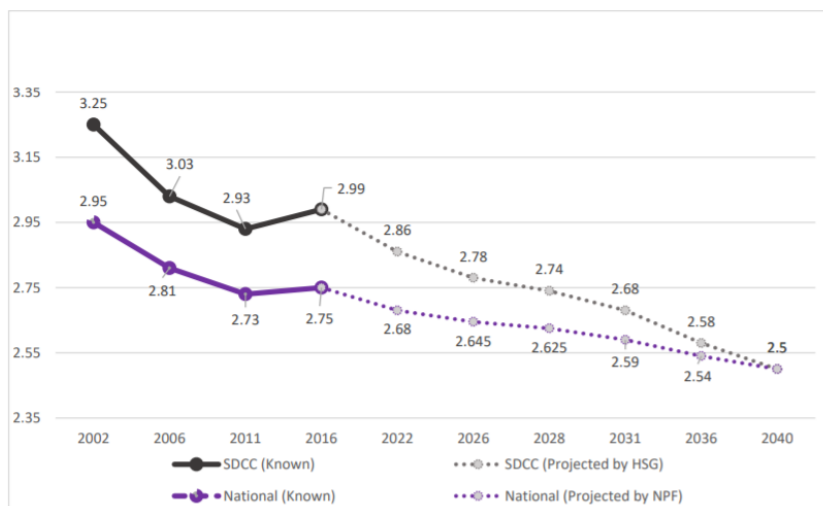
## Expected Population Growth Dublin & South Dublin County Council Area

The National Development Plan and National Planning Framework expects the Dublin City and Suburbs to grow by 235,000 to 293,000 people with a minimum target population of 1,40,000 by 2040. The majority of the housing (80%) for this large population increase is expected to be within Dublin City, the suburbs and within existing urban footprints.

South Dublin County Council area has already seen increases in population. Over the period 2011 to 2016 the population increase was 13,562 which equates to a 5.11% increase. The South Dublin Development Plan shows projected growth of 50,233 over the decade to 2031 or 3,333 per person per year.

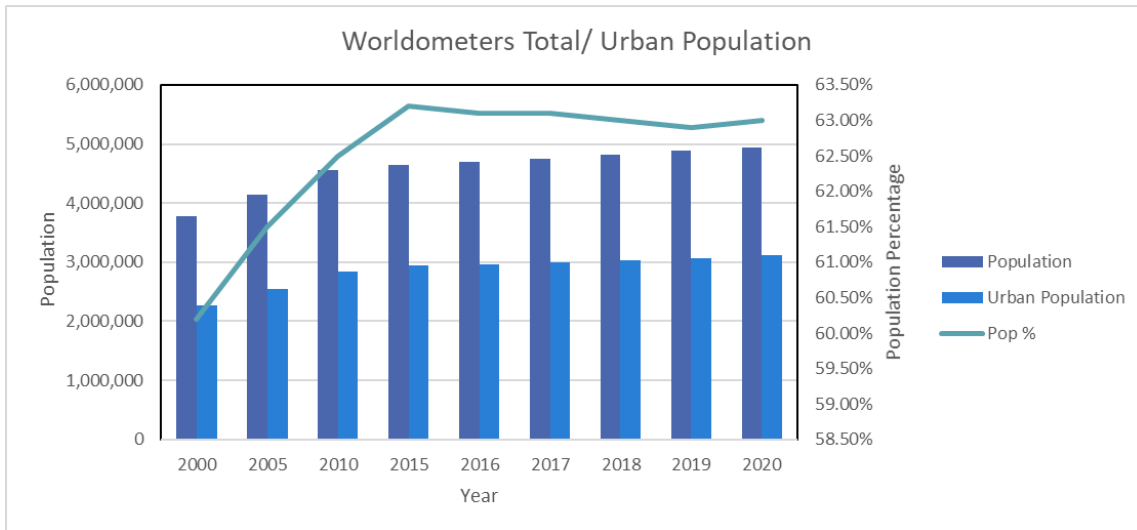
### Demand

- Urbanisation and falling household size is a positive trend for greater demand in apartments.
- The average household size appears to have stabilised around 2.75, the declining trend likely limited by the availability of housing stock from 2011 onwards. We note the SDCC area suffered this impact more than the nation.



Source: SDCC Housing Strategy and Interim HNDA 2022 - 2028

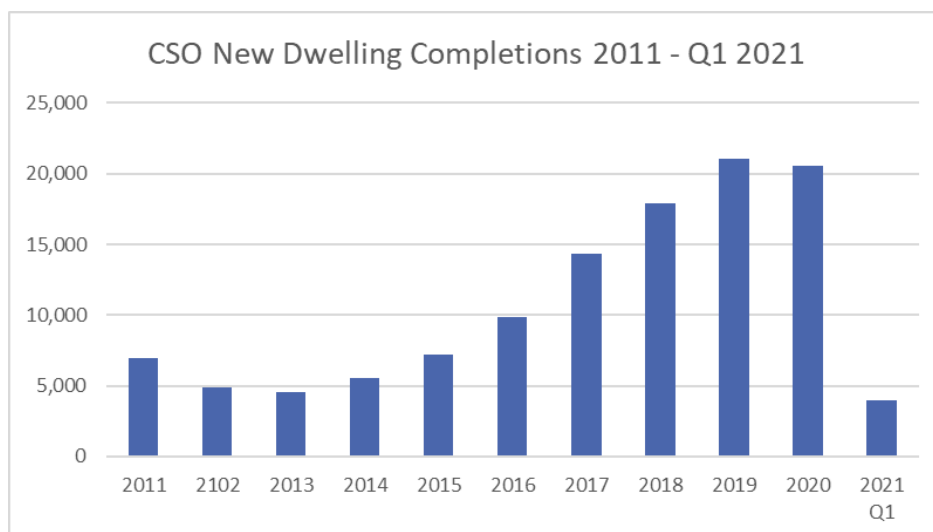
- Ireland has one of the youngest populations in Europe, with around 33% of the population under the age of 24, a demographic which given growing labour and social mobility favours PRS.
- Looking at the components of population growth within SDCC in the Housing and Strategy. It appears over the period from 2002-2016 despite a rising population due to births the area had negative net migration. Our observation when studying the age profile of South Dublin residents is that group at the point of housing unit formation (25-44 years old) are leaving South Dublin as their total number is seen to decline between the 2011 and 2016 census.
- The projected population increases lead us to expect a corresponding increase in urban population. Mortgage lending rules result in an increased demand for rental accommodation as the younger population cannot access mortgages to purchase homes. The Greenhills Road development is addressing a clear need for quality rental accommodation.



Source: CSO

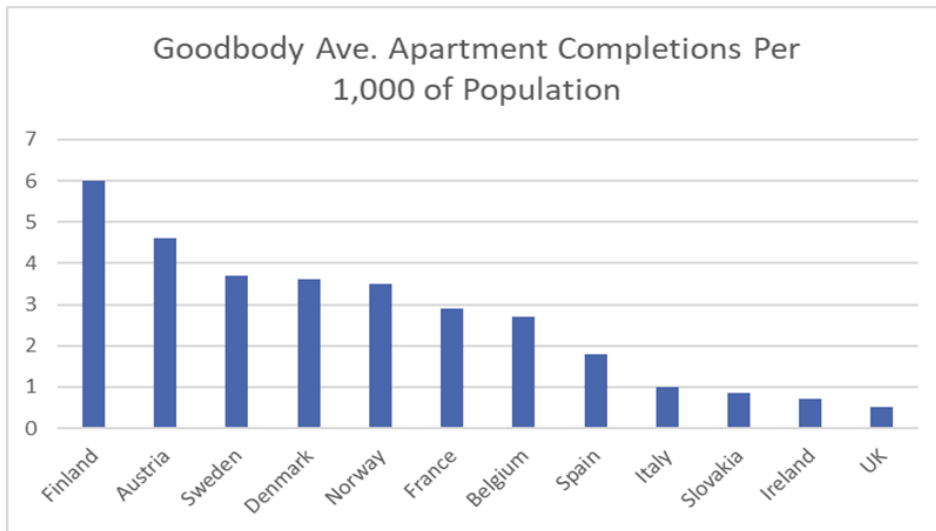
## Supply

- Ireland has suffered a decade of under investment in housing. Unit completions have consistently fallen short of the 34,000 dwellings target set by the Central Bank.
- As of 2019, the new target of 34,000 dwellings has been set in order to tackle the 156,000 dwellings being backlogged over the previous nine years. In the intervening two years it is safe to estimate that undersupply could be estimated at approx. 180,000 housing units.
- 2019 saw a recent high in construction output with 21,076 units produced. 2020 only reached a housing output of 20,584 units. Q1-3 of 2021 saw an output of 13,630 units. Extrapolating on that figure 20,000 units would be an excellent output for the full year. Assuming the 34,000 units required per annum to meet demand is correct we are under supplied by 14,000 units per annum. Supply must drastically increase.



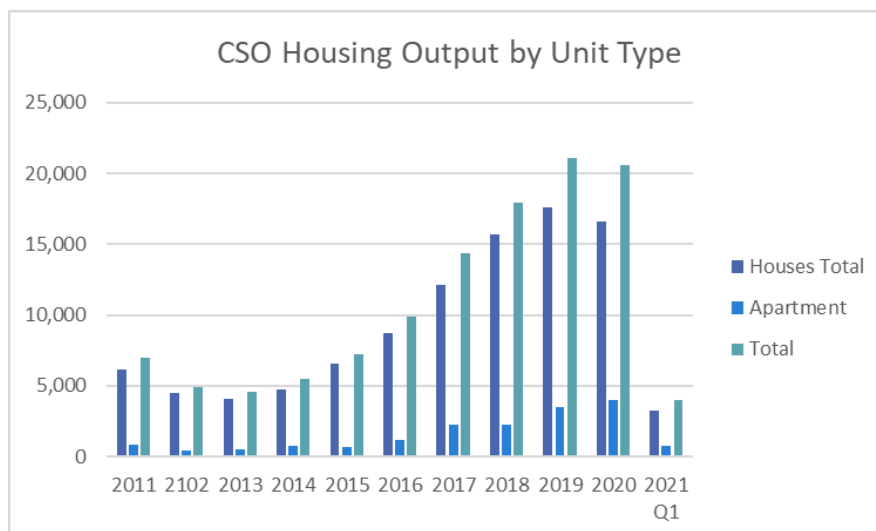
Source: CSO

- Ireland is massively under delivering the required forms of development. Across Europe, Irish completions of new apartments are the lowest after the U.K. Research by Goodbody showed that only 0.7 apartments were built per 1,000 population in Ireland in 2018.



Source: Goodbody

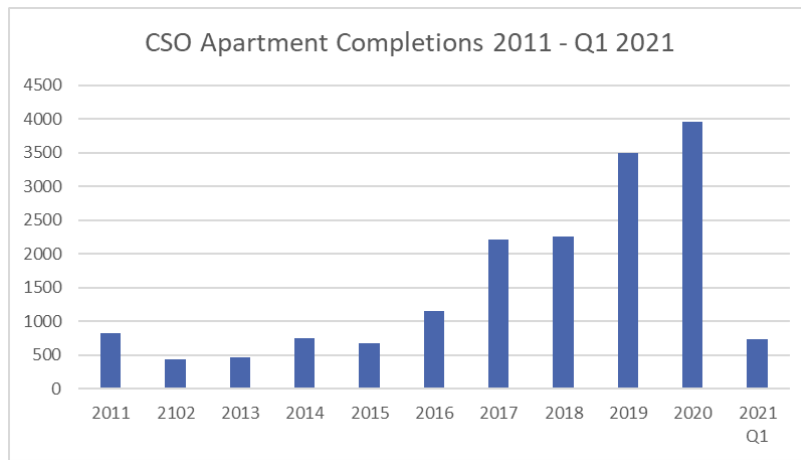
- According to Eurostats 2011 Housing Survey Ireland has the lowest percentage of supply of apartments across Europe. The European Average property tenure type at that time was 50% apartments. The corresponding figure for Ireland was 12%. Our consistent under production of apartments can be seen in the production output by type below.



Source: CSO

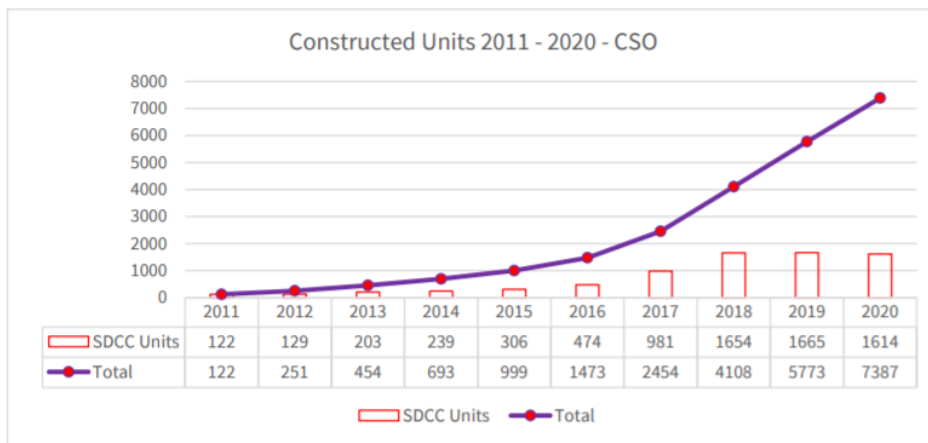


- Actual total apartment output is made even more clear on the next table.



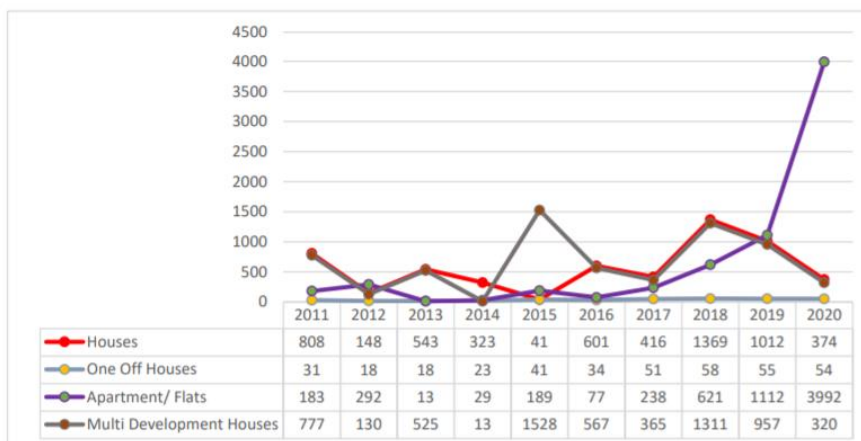
Source: CSO

- South Dublin housing output has been increasing on an annual basis from 2011.



Source: CSO, NDQ06. Constructed units in SDCC on an annual and cumulative basis since 2011

- Observing the granted planning permissions granted by SDCC it is clear that the driver or increased housing output is apartment production.



Source: CSO, Planning permissions Granted of Units per Housing Category (2011-2020)

## South Dublin Population Growth/ Demand

Housing Policy in South County Dublin

Draft development plan 2022-2028 is currently open to public consultation.

The following taken from the draft development plan 2022-2028

- South county population set to grow by 46,518 persons to a total population of 325,285 persons by 2028.
- Following the publication of the ERSI –“Regional Demographics and Structural Housing Demand at County Level” Ministerial Guidelines were issued in 2020 for housing unit production targets by each Local Authority. SDCC’ allocated target is 23,191 homes by 2031. This equates to 2000 per year.
- The Tempogue/ Walkinstown/ Rathfarnham/ Firhouse population is currently 78,166 and this is expected to grow to 85,264 by 2028.
- Future demographic considerations. A Decline in average household size due to projected increase by 51% from 2016-2031 of overs 65s and projected increase by 30% of 15-24 year olds.
- South Dublin will need 18,000 New homes by the end of 2028 which equates to over 2000 per year.

## Keypoints

- The Irish population is set to rise approximately by between one and two million in the next thirty years.
- Assuming the ratio of 2.75 persons per household remains static we require between 363,636 and 727,272 homes over that period to meet demand. That is ignoring the undersupply that is inherent in the current system.
- Our undersupply of housing is hurting young people, family formation and our attractiveness as an international business location.
- The market is unable to address the projected demand without large scale development of this nature.
- The most obvious market short coming is in the supply of quality apartments.
- The local neighbourhood areas of Tempogue/ Walkinstown/ Rathfarnham/ Firhouse expects growth of 1,000 persons per annum to 2028. Large scale developments will be required to meet this forecast.

## Market Analysis

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There has been a recognised under supply of rental units since 2013. This drove Government intervention in 2014 with the introduction of “Emergency Measure” rent controls in Rental Press Zones RPZs.

According to the recent Property Industry Ireland submission to Government - As of 2019 there were 297,837 tenancies registered with the RTB, a decline of just over 20,000 since 2016.

During the period 2016 to 2020 the number of private landlords has reduced by 9,500. This has only been offset by approximately 3,000 units added by PRS operators. 96% of landlords registered with the RTB are private landlords, 4% are companies.

As private individuals exit the market we need more professionally managed and run developments to meet the demand for accommodation in Ireland. BTR addresses this chronic need.

The latter half of 2020 in Dublin saw rental listings on DAFT in the region of 3,400 housing units. Daft’s experience (based on two decades of monitoring supply) is that there must be on average 4,000 units for let at a given time to ensure that rents do not rise. More recently in April 2021 advertised supply fell to 2,829 housing units.

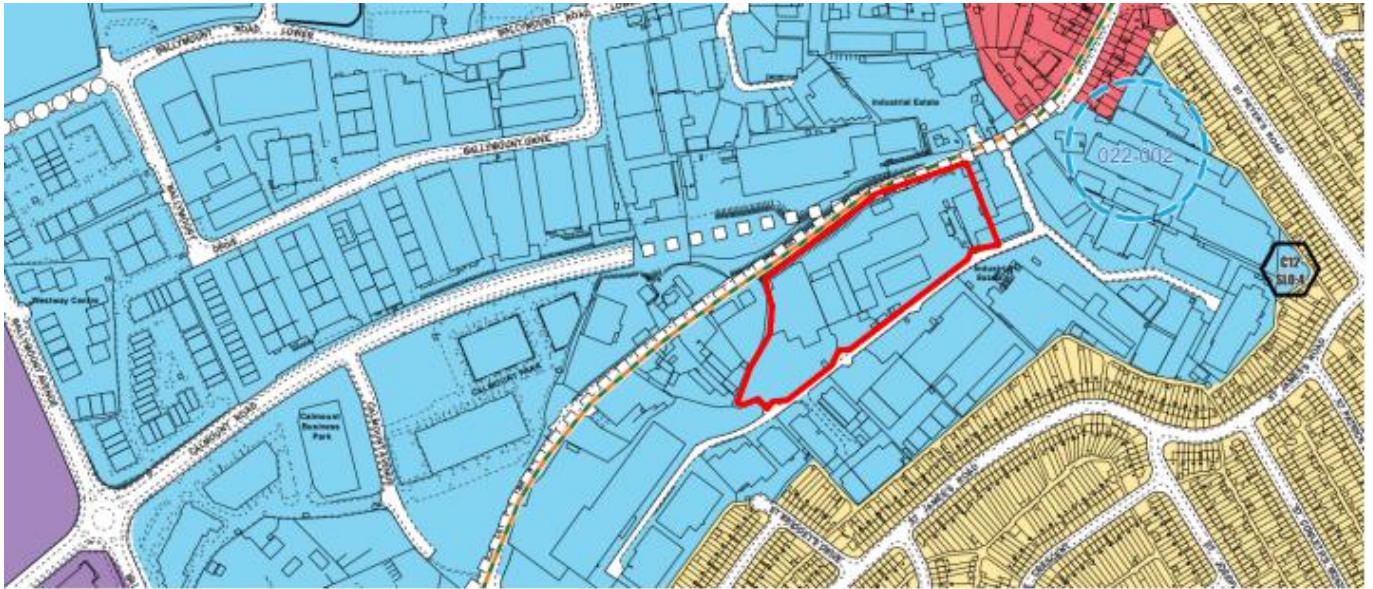
As of the 25<sup>th</sup> of January 2022 there were only 1,580 housing units for rent across Ireland and only 862 in Dublin according to DAFT.ie. This is highlighting the ultimate issue within the housing market, a fundamental lack of quality housing accommodation brought about by over a decade of under construction.

The Irish Government has sought to recognize the necessity of Build To Rent by a change in planning policy set out in Sustainable Urban Housing: Design Standards for New Apartments. This ‘urban first’ approach is reflected in the National Planning Framework, which states that

*‘City and County Development Plans must appropriately reflect this, in the context of the need to both sustainably increase housing supply and to ensure that a greater proportion of housing development takes place within the existing built-up areas of Ireland’s cities and towns. This means making provision for more residential development to take place on infill and brownfield sites and as refurbishment of existing buildings, to increase urban residential densities.’*

## SITE ZONING

The subject site is zoned 'REGEN' in the South Dublin County Council Development Plan 2016-2022, the objective of which is to facilitate enterprise and/or residential-led regeneration.'



Extract from Map 5 of the South Dublin County Council Development Plan 2016-2022, with subject site outlined in red.

The land is zoned as being within Objective 'REGEN'.

The 'REGEN' zone is a new addition to the land-use zoning classifications, in the recently adopted South Dublin County Development Plan 2016-2022 and is aimed at supporting and facilitating the regeneration of underutilised industrial lands that are within close proximity to town centres and/or public transport nodes, with a particular emphasis on more intensive enterprise and residential led development. The 'REGEN' zone is a relatively broad zoning designation under which a wide range of uses may be permitted.

Section 4.3.2 'Employment and residential in Regeneration Zones' set out in the South Dublin County Development Plan 2016-2022 outlines how the Council recognises that there are a high level of vacant lands of poor environmental quality throughout the county, and will seek to support and facilitate a more intensive mix of enterprise and/or residential led development in 'REGEN' zoned lands, in particular in instances where the regeneration relates to underutilised industrial lands that are in close proximity to town centres and public transport nodes.

Policy ET2: It is the policy of the Council to facilitate and support the regeneration of underutilised industrial areas that are proximate to urban centres and transport nodes and to promote and support more intensive compatible employment and/or residential led development in regeneration zones.

ET2 Objective 2: To support proposals for more intensive compatible enterprise and/or residential led development on lands designated with Zoning Objective 'REGEN', subject to appropriate design safeguards and based on a traditional urban form that adhere to urban design criteria.



# Housing Policy

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As set out in Chapter 2 of the South Dublin County Development Plan 2016-2022, a core objective is to provide new housing of good quality, with a focus on the creation of sustainable new communities at locations that can be well served by high quality public transport, with a particular focus on the intensification of infill and brownfield lands with links to existing transport services.

The following development plan policies are relevant to the proposal on the subject site:

**Policy H2:** It is the policy of the Council to seek to ensure that sufficient zoned land continues to be available at appropriate locations to satisfy the housing requirements of the County.

**Policy H6:** It is the policy of the Council to support the development of sustainable communities and to ensure that new housing development is carried out in accordance with Government policy in relation to the development of housing and residential communities.

**Policy H7:** It is the policy of the Council to ensure that all new residential development within the County is of high-quality design and complies with Government guidance on the design of sustainable residential development and residential streets including that prepared by the Minister under Section 28 of the Planning & Development Act 2000 (as amended).

**Policy H8:** It is the policy of the Council to promote higher residential densities at appropriate locations and to ensure that the density of new residential development is appropriate to its location and surrounding context.

**Policy H9:** It is the policy of the Council to support varied building heights across residential and mixed-use areas in South Dublin County.

## **Guidelines for Planning Authorities issued under Section 28 of the Planning and Development Act, 2000 (as amended) December 2020**

- 1.6. In the years to 2040, work undertaken by the Economic and Social Research Institute (ESRI) indicates housing demand arising from approximately 600,000 new households in Ireland, half of which is to be met in the five cities (Dublin, Cork, Limerick, Galway and Waterford). The National Planning Framework (NPF) signals a shift in Government policy towards securing more compact and sustainable urban development, to enable people to live nearer to where jobs and services are located and also requires at least half of new homes within Ireland's cities to be provided within the current built-up area of each, i.e. on sites within the existing urban 'envelope'.
- 1.7 In broad terms, this means a need for around 300,000 new homes in Ireland's cities to 2040, with half of these located in already built-up areas. This will necessitate a significant and sustained increase in housing output and apartment type development in particular.

- 1.8 It is therefore critical to ensure that apartment living is an increasingly attractive and desirable housing option for a range of household types and tenures, building on and learning from experience to date, and that the economic and regulatory conditions are such that apartment development attracts both the investment and the seeking out of this crucial form of housing by households, that will then result in greater delivery of apartments in Ireland's cities and towns and other appropriate locations
- 1.9 While a range of factors are key to increasing housing output generally and apartments specifically, such as securing development finance for residential development generally and a pipeline of ready to go sites at accessible prices, including brownfield sites, the purpose of these Guidelines is to strike an effective regulatory balance in setting out planning guidance to achieve both high quality apartment development and a significantly increased overall level of apartment output.
- 1.10 These Guidelines apply to all housing developments that include apartments that may be made available for sale, whether for owner occupation or for individual lease. They also apply to housing developments that include apartments that are built specifically for rental purposes, whether as 'build to rent' or that were originally permitted or built as 'shared accommodation' that may subsequently be proposed as standard apartment development. Unless stated otherwise, they apply to both private and public schemes.

## Apartment Development in Ireland

- 1.12 Apartments continue to be an increasingly common form of housing in Ireland's urban areas. Between 2002 and 2016, the number of occupied apartments increased by 85%, nationally. Apartments now comprise 12% of all occupied households in Ireland and 35% of occupied households in Dublin City (Census 2016). However, Ireland is a long way behind European averages in the numbers of households living in apartments, especially in our cities and larger towns. In many European countries like the UK, France, Germany, Italy etc, it is normal to see 40-60% of households living in apartments.
- 1.13 Given the gap between Irish and European averages in numbers of households living in apartments and the importance of addressing the challenges of meeting the housing needs of a growing population in our key cities and towns and by building inwards and upwards rather than outwards, apartments need to become more and more the norm for urban housing solutions. This need will continue because of on-going population growth, particularly in Ireland's cities, a long-term move towards smaller average household size, an ageing and more diverse population, with greater labour mobility, and a higher proportion of households in the rented sector.

## Apartments and Statutory Development Plans Location

- 2.1 To meet housing demand in Ireland, it is necessary to significantly increase supply. This is a key pillar of the overarching Rebuilding Ireland Housing Action Plan. The National Planning Framework targets increased housing supply in Ireland's cities and urban areas in particular. For the reasons outlined earlier, increased housing supply must include a dramatic increase in the provision of apartment development.
- 2.2 In general terms, apartments are most appropriately located within urban areas. As with housing generally, the scale and extent of apartment development should increase in relation to proximity to core urban centres and other relevant factors. Existing public transport nodes or locations where high frequency public transport

can be provided, that are close to locations of employment and a range of urban amenities including parks/waterfronts, shopping and other services, are also particularly suited to apartments.

2.3 City and County Development Plans must appropriately reflect this, in the context of the need to both sustainably increase housing supply and to ensure that a greater proportion of housing development takes place within the existing built-up areas of Ireland's cities and towns. This means making provision for more residential development to take place on infill and brownfield sites and as refurbishment of existing buildings, to increase urban residential densities.

## Housing Mix

2.16 Apartment guidance to date has enabled statutory development plans to address different housing needs in different areas, as reflected in housing strategies, even within different parts of a large urban area. This may be applied based on parameters such as the projected demand profile for housing in an area and the desirability of providing for a range of dwelling types/sizes, having regard to the character of and existing mix of dwelling types in the area. In practice, this has not generally been the case.

2.17 Instead, it has become practice for some statutory development plans to specify an across the-board mix of types/sizes in relation to the composition of individual apartment schemes including upper limits on the proportion of studio or one-bedroom units and/or a minimum requirement on the proportion of two- or three-bedroom units to be included in apartment schemes, in the form of a range, to allow for flexibility in response to market conditions

2.18 In the context of sustainably increasing housing supply, targeting a greater proportion of urban housing development and matching to the type of housing required, there is a need for greater flexibility, removing restrictions that result in different approaches to apartment mix on the one hand, and to other forms of residential accommodation on the other. This is particularly relevant where comprehensive housing need and demand assessment (HNDA) has not been undertaken.

2.19 Accordingly, having regard to the purpose of a nationally determined apartment mix parameter as a broad and consistent but flexible safeguard, rather than as part of an area specific tool to accommodate projected housing demand: Specific Planning Policy Requirement 1 Housing developments may include up to 50% one-bedroom or studio type units (with no more than 20-25% of the total proposed development as studios) and there shall be no minimum requirement for apartments with three or more bedrooms. Statutory development plans may specify a mix for apartment and other housing developments, but only further to an evidence-based Housing Need and Demand Assessment (HNDA), that has been agreed on an area, county, city or metropolitan area basis and incorporated into the relevant development plan(s).

2.20 The need for consistency and flexibility between statutory plans and in approaches to different forms of housing is supported by strong evidence of the need to facilitate a mix of apartment types that better reflects household formation and housing demand.

5.0 Build-To-Rent and Shared Accommodation/Co-living Sectors Build-To-Rent Housing Developments

- 5.1 Larger-scale apartment developments that typically include several hundred units and are designed and constructed specifically for the needs of the rental sector are a prominent feature of housing provision in many countries. These types of housing developments also have a potential role to play in providing choice and flexibility to people and in supporting economic growth and access to jobs in Ireland. They can provide a viable long term housing solution to households where home-ownership may not be a priority, such as people starting out in their careers and who frequently move between countries in the pursuance of career and skills development in the modern knowledge-based economy.

## **Amenities in BTR Developments**

The provision of dedicated amenities and facilities specifically for residents is usually a characteristic element. The provision of such facilities contributes to the creation of a shared environment where individual renters become more integrated and develop a sense of belonging with their neighbours in the scheme. This provides the opportunity for renters to be part of a community and seek to remain a tenant in the longer term, rather than a more transient development characterised by shorter duration tenancies that are less compatible with a long-term investment model.

- 5.6 There are a range of potential facilities that may be provided in conjunction with BTR in other jurisdictions such as dedicated laundry facilities, communal leisure areas, gym, workspaces/hotdesks, concierge service, etc. Facilities may also include private dining rooms, kitchen areas, office spaces, TV/lounge rooms, etc. that can be booked on occasion by individual residents for their own use.





5.7 A key aspect of the BTR is its potential to accelerate the delivery of new housing at a significantly greater scale than at present. For traditional housing, the pace of development is largely determined by the rate at which individual homes, including apartments, can be sold. With BTR, once constructed, the overall scheme is available to the rental sector over a much shorter timescale on completion and the investment model is therefore capable of delivering a much higher volume of housing than traditional models.

5.8 This potential for accelerated housing construction through BTR can make a significant contribution to the required increase in housing supply nationally, identified by Rebuilding Ireland, and the scale of increased urban housing provision envisaged by the National Planning Framework. The potential to augment existing housing delivery models by attracting new investment into the sector will assist in achieving additional housing output. Specific BTR Developments

5.9 The promotion of BTR development by planning authorities is therefore strongly merited through specific BTR planning and design policies and standards, which the Department will give consideration to further bolstering by establishing build-to-rent projects as a specific use class under the Planning and Development Regulations 2001 (as amended).

Only through the provision of schemes like Green Vale can we start to address the chronic imbalance of supply within the Irish housing market. The Build to Rent model positively addresses the current market constraints around the funding of large-scale development. It brings more housing units to the market quicker. This provides secure, long term accommodation across all age groups but especially across the 25-35 age group

We have analysed a scheme that we have currently under let and management to illustrate the tenants that typical prefer a BTR scheme with its higher level of amenities. This scheme would be generally similar in terms



of the expected tenant mix and amenity provision, on a scaled basis. The scheme is positioned a similar distance to Dublin City Centre but would not have the benefit of public transport provision that we associate with Greenhills Road.




As noted in the various tables in the supply section of this document Ireland is under supplied with apartments when compared with our European peers. As we compete for further foreign direct investment into the future our provision of quality apartment accommodation will be an issue. Only by increasing the supply of flexible/rentable space can we hope for the economy to continue expanding.

## Keypoints

- The market recognises that there is an undersupply of rental accommodation dating back 8 years.
- The problem of under supply is be exacerbated by landlords leaving the market.
- Large scale PRS is required to replace the declining numbers of private landlords.
- Government policy is to seek the development of build to rent developments in urban areas and brownfield sites.
- Policy is also seeking higher standards of accommodation for the end users of developments. It is recognised that build to rent schemes offer superior amenities.

# BTR Occupiers and the Market

## Typical Tenant Profiles in a JLL managed BTR scheme

	 Singles	 Sharing	 Family
<b>Incomes</b>	Gross PA €110,00 +. Net PM €5,524.	Gross PA €25,000 -€50,000 p.p. Net PM €1,821 - €3,066.	Gross PA €70,000 - €100,000. Net PM €4,834 - €6,132*
<b>Lifestyle</b>	Relatively high income. Appreciates the quality of the apartments, the landscaping and freshness of new builds.	Low incomes usually sharing a common work place or social connection. Attracted by the convenience of the location.	Medium incomes typically no more than a single child. They like the security, the playground and child friendly atmosphere.
<b>Insight</b>	Working from home has become increasing important.	The size of the separate bedrooms is seen as key for working from home.	Appear more adaptable to current <u>Covid 19</u> arrangements.
<b>Driving/ Parking</b>	Not entirely necessary. High reliance on public transport.	Very likely to have a <u>vehicle</u> .	Most drive and would look to electric cars in the shorter term future.
<b>As a consumer</b>	Typically well educated professionals, their buying decisions are influenced by presentation and design.	Affordability is key and all expenses are split equally, so all parties have a say in the purchasing decision.	The immediate environment is key but they are budget conscious consumers.
<b>Tenants as part of the community</b>	Sample BTR community consists of many nationalities. Singles are most likely to have moved directly to Ireland and a BTR scheme would be their first Irish home	Groups sharing have typically formed in Ireland but broadly the tenants who share speak the same language and come from the same region. A BTR would be their second or third home in Ireland.	Adults with children are more commonly but not exclusively Irish and would originate in the local area.
<b>ESG</b>	While they are likely to have a higher carbon footprint they show a high degree of awareness of Environmental Matters and this is likely to influence their decision making.	More likely to walk, cycle or use public transport but decision making influenced more by financial concerns than environmental concerns.	Strong awareness of environmental matters and a willingness to "go green " and adapt their behaviour where possible to benefit the environment.

Source: JLL

## Why Occupiers choose BTR Accommodation

Ireland has seen a steady increase in the demand for quality rental accommodation. We acknowledge the market's increasing demand and lack of supply. Build to rent addresses this market imbalance in a positive way. The positive attributes of Build to Rent that attract occupiers are

- Modern purpose-built properties.
- Designed with the end user in mind.
- Excellent provision of amenities far beyond that of Build to Sell.
- Tenant focused service, with communal spaces and services above the market norm.
- Good locations with access to public transport.
- Secure long-term tenure.
- Professionally run leading to better services and maintenance.
- Allows occupiers to remain in areas that they perhaps may not be able to afford to buy in.
- Family friendly.
- Often pet friendly.
- Often offer short- and long-term lease options.
- Scheme hosts/ concierges to ensure the scheme is well managed and the tenancy is a positive professionally experience.

## Why Build to Rent is the best Market Solution

The market as a supplier of residential accommodation faces a number of issues. The issues below are driving the supply shortage.

- Bank finance for site acquisition and construction funding.
- Judicial review of planning applications.
- Construction costs above that of private purchasers' budgets.
- Central bank lending constrains on mortgage multiples lower than across Europe.
- Lower demand amongst purchasers for apartments reducing the scale of developments.

Build to rent address many of these issues. The purchasers of Build to Rent developments can either forward fund the scheme and supply the finance required by the builder/ developer or by signing a contract to purchase units can enable a developer approach mainstream lenders for finance as the construction is considered lower risk as there is a sale in place. Build to rent purchasers seek a stable, modest, long term return on their investment. To this end they can pay a price that will allow the builder construct the apartments and generate a profit where the price individual buyers can pay will not. The below table, tracking listings and sales in the last year in Dublin 12, show that private sales will not generate the capital value required for residential development. The next two sections of this report address capital values and the cost of development within this location.

# SCSI Estimates of Construction Costs for Apartments

The construction and associated delivery costs presented in the SCSI’s January 2021 titled “The Real Cost of Apartment Delivery” has provided the following section with figures and tables. The report is based on the delivery of two-bedroom apartments (91 sq. m. gross).

The apartment units were categorised into four different apartment complex types,



SCSI Estimates - Construction cost only (two-bed apartment, ex. VAT, including parking and external works)

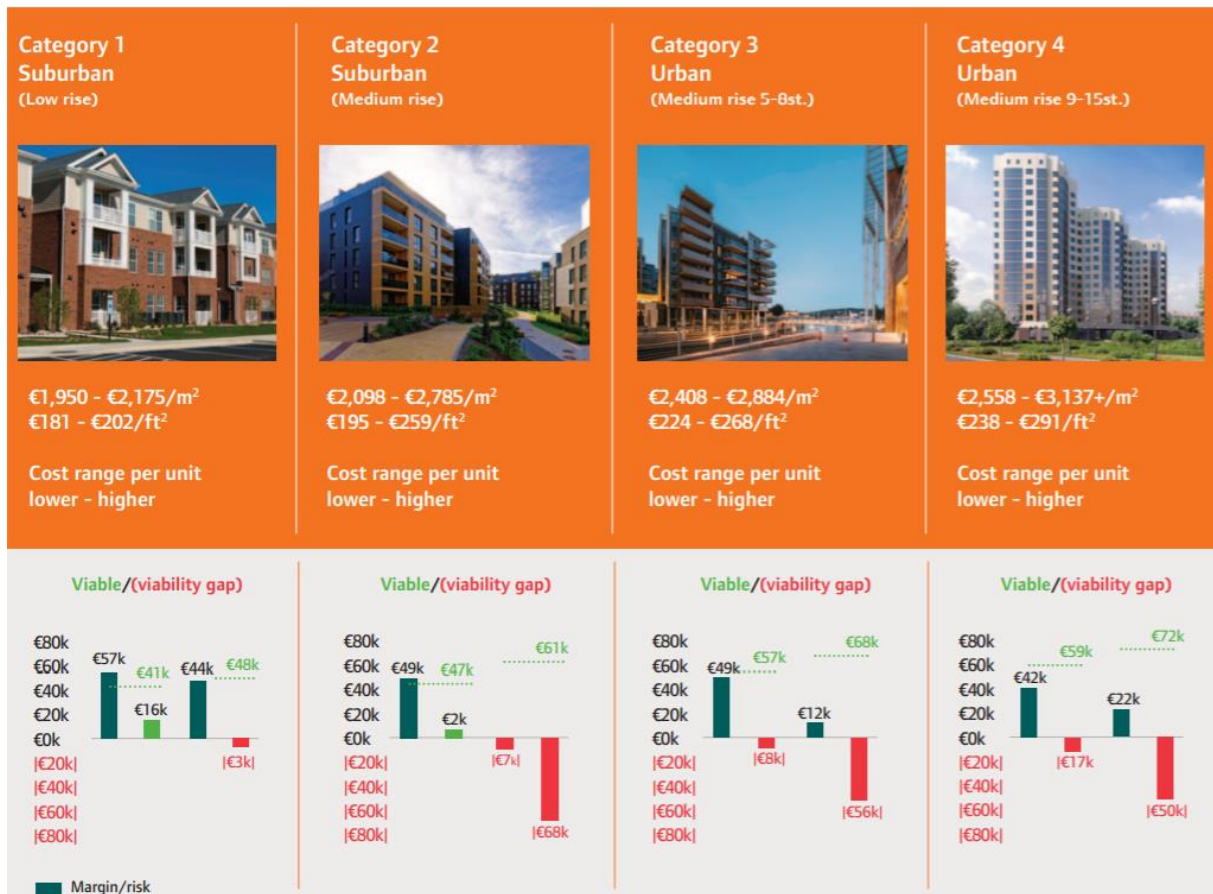




Total costs (hard and soft costs, i.e., bricks and mortar, including land, finance, levies, etc.), ex. VAT



Viability of a two-bedroom apartment (build to sell), ex. VAT, including siteworks and parking.



## Key points

- Construction cost alone for a 91sq.m. apartment in a high-rise urban block was €285,000 in 2020. This figure will have risen by 5-10% due to construction cost increases since that time.
- Total costs (hard and soft costs, i.e., bricks and mortar, including land, finance, levies, etc.), ex. VAT was approximately €550,000.
- The production of build to sell properties in high rise blocks is not financially viable in urban locations.

## Capital Private Sales Values - Dublin 12

The table below, sourced from the propertyweek.ie website tracks apartment asking prices for sales in the Dublin 12 area across a year.

Date	Address	Agent	Price	Area	Per Sq.M	Per Sq.Ft	Beds	Type	Age
16.12.2021 [X] [±]	<u>69 The Crescent Building, Park West Pointe, Park West, D 12</u>	<u>Douglas Newman Good - Tallaght</u>	€235,000	N/R			2	Apt	2006?
15.12.2021 [X] [±]	<u>11 The Crescent Building, Park West, D 12 D12 WT22</u>	<u>Buckley Real Estate</u>	€235,000	62.2m <sup>2</sup> 669.7ft <sup>2</sup>	€3,776	€351	2	Apt	Modern
10.12.2021 [X] [±]	<u>231 The Crescent, Park West Pointe, Park West, D 12 D12 X624</u>	<u>Ray Cooke</u>	€295,000	97.1m <sup>2</sup> 1044.6ft <sup>2</sup>	€3,039	€282	3	Apt	2006?
08.12.2021 [X] [±]	<u>72 The Academy Building, Park West Pointe, Park West, D 12 D12 R802</u>	<u>Ray Cooke</u>	€195,000	63m <sup>2</sup> 677.9ft <sup>2</sup>	€3,095	€288	2	Apt	2005?
19.11.2021 [X] [±]	<u>62 The Academy Building, Park West Pointe, Park West, D 12 D12 P766</u>	<u>Ray Cooke</u>	€190,000	667m <sup>2</sup> 7176.9ft <sup>2</sup>	€285	€26	2	Apt	Modern
18.11.2021 [X] [±]	<u>207 The Crescent Building, Park West, D 12 D12 X771</u>	<u>Ray Cooke</u>	€235,000	91m <sup>2</sup> 979.6ft <sup>2</sup>	€2,581	€240	2	Apt	2006?
11.11.2021 [X] [±]	<u>48 The Concert Building, Walkinstown, D 12</u>	<u>Keller Williams</u>	€245,000	80m <sup>2</sup> 860.8ft <sup>2</sup>	€3,063	€285	2	Apt	2005?
04.11.2021 [X] [±]	<u>8 Brookfield Court, Brookfield Green, Kimmage, D 12 D12 XP95</u>	<u>McGuirk Beggan</u>	€245,000	39.5m <sup>2</sup> 424.8ft <sup>2</sup>	€6,206	€577	1	Apt	1993

27.10.2021	<u>21 Windmill Lodge,</u> Crumlin, D 12 <i>D12 XH95</i>	<u>Brock Delappe</u>	€330,000	83m <sup>2</sup> 893.1ft <sup>2</sup>	€3,976	€369	2	Apt	2005
[X]									
[±]									
27.10.2021	<u>30 The Academy Building,</u> Park West, D 12 <i>D12 RP78</i>	<u>Broe Auctioneers</u>	€189,000	53m <sup>2</sup> 570.3ft <sup>2</sup>	€3,566	€331	1	Apt	2005?
[X]									
[±]									
22.10.2021	<u>24 The Crescent Building,</u> Park West, D 12 <i>D12 FA33</i>	<u>Ray Cooke</u>	€200,000	69.7m <sup>2</sup> 750ft <sup>2</sup>	€2,869	€267	2	Apt	2006?
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07.10.2021	<u>7 Windmill Lodge,</u> Crumlin, D 12 <i>D12 T256</i>	<u>David Ross Estate Agents</u>	€250,000	N/R			2	Apt	Modern
[X]									
[±]									
04.10.2021	<u>1 The Manor, Royston,</u> Kimmage, D 12 <i>D12 W082</i>	<u>Murphy Mullan - Rathgar</u>	€280,000	55m <sup>2</sup> 591.8ft <sup>2</sup>	€5,091	€473	2	Apt	1990s
[X]									
[±]									
21.09.2021	<u>8 The Academy Building,</u> Park West Pointe,	<u>Conerney Estate Agents</u>	€195,000	N/R			2	Apt	2005?
[X]									
[±]									
09.09.2021	<u>3c Lansdowne Valley, Block C,</u> Drimnagh, D 12 <i>D12 HW56</i>	<u>Bohan Hyland &amp; Associates</u>	€180,000	46m <sup>2</sup> 495ft <sup>2</sup>	€3,913	€364	2	Apt	Modern
[X]									
[±]									
09.09.2021	<u>17 Goldstone Court,</u> Crumlin, D 12 <i>D12 TW80</i>	<u>David Ross Estate Agents</u>	€249,950	85m <sup>2</sup> 914.6ft <sup>2</sup>	€2,941	€273	2	Apt	1998
[X]									
[±]									
03.09.2021	<u>98 The Academy Building,</u> Park West Pointe, Park West, D 12 <i>D12 N40V</i>	<u>Ray Cooke</u>	€209,000	63m <sup>2</sup> 677.7ft <sup>2</sup>	€3,318	€308	2	Apt	2005?
[X]									
[±]									
27.08.2021	<u>11 Clonard Court,</u> Kimmage, D 12 <i>D12 ND29</i>	<u>Sherry FitzGerald Sundrive</u>	€250,000	N/R			2	Apt	1995?
[X]									
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27.08.2021	<u>99 The Academy Building, Park West Pointe, Park West, D 12 D12 DY06</u>	<u>BidX1</u>	€200,000 Auction	77m <sup>2</sup> 828.5ft <sup>2</sup>	€2,597	€241	2	Apt	2005?
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25.08.2021	<u>112 The Crescent, Park West, D 12 D12 H563</u>	<u>Kelly Estates</u>	€247,000	85m <sup>2</sup> 914.6ft <sup>2</sup>	€2,906	€270	2	Apt	2006?
[X]									
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24.08.2021	<u>17 The Concert Building, Park West, D 12 D12 C443</u>	<u>Broe Auctioneers</u>	€215,000	N/R			2	Apt	c2005?
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19.08.2021	<u>5 Beechfield Court, Walkinstown, D 12 D12 YYA3</u>	<u>David Ross Estate Agents</u>	€249,950	N/R			2	Apt	Mature
[X]									
[±]									
03.08.2021	<u>39 The Crescent, Park West Pointe, Park West, D 12</u>	<u>Galvin Property &amp; Finance</u>	€225,000	70m <sup>2</sup> 753.2ft <sup>2</sup>	€3,214	€299	2	Apt	2006?
[X]									
[±]									
26.07.2021	<u>15 Priors Hall, Manor Grove, Terenure, D 12</u>	<u>Douglas Newman Good - Terenure</u>	€325,000	64m <sup>2</sup> 688.6ft <sup>2</sup>	€5,078	€472	2	Apt	
[X]									
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23.07.2021	<u>50 Whitehall Square, Perrystown, D 12 D12 VY59</u>	<u>Mason Estates</u>	€245,000	54m <sup>2</sup> 581ft <sup>2</sup>	€4,537	€422	2	Apt	
[X]									
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20.07.2021	<u>23 The Concert Building, Park West, D 12 D12 HT28</u>	<u>Ray Cooke</u>	€225,000	74m <sup>2</sup> 796.2ft <sup>2</sup>	€3,041	€282	2	Apt	
[X]									
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22.06.2021	<u>14 The Academy, Park West, D 12 D12 X231</u>	<u>Get Property</u>	€235,000	61m <sup>2</sup> 656.4ft <sup>2</sup>	€3,852	€358	2	Apt	
[X]									
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15.06.2021	<u>28 Whitehall Square, Perrystown, D 12</u>	<u>Castle Estate Agents</u>	€250,000	57m <sup>2</sup> 613.3ft <sup>2</sup>	€4,386	€407	2	Apt	
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10.06.2021	<u>5A Beechfield Court, Walkinstown, D 12</u>	<u>Murphy Mullan - Tallaght</u>	€235,000	57m <sup>2</sup> 613.3ft <sup>2</sup>	€4,123	€383	2	Apt	
[X]									
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03.06.2021	<u>17 Whitehall Square, Quarry Drive, Perrystown, D 12</u>	<u>Castle Estate Agents</u>	€249,950	55.4m <sup>2</sup> 596.3ft <sup>2</sup>	€4,510	€419	2	Apt	Modern
[X]									
[±]									
02.06.2021	<u>9 Clonard Court, Poddle Park, Kimmage, D 12 D12 RX09</u>	<u>City Homes</u>	€220,000	43.5m <sup>2</sup> 467.8ft <sup>2</sup>	€5,060	€470	1	Apt	1995
[X]									
[±]									
01.06.2021	<u>23 The Crescent, Park West, Park West, D 12 D12 CD92</u>	<u>Hosford Property Consultants</u>	€210,000	78m <sup>2</sup> 839.3ft <sup>2</sup>	€2,692	€250	2	Apt	Modern
[X]									
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26.05.2021	<u>2 Beechfield Court, Walkinstown, D 12 D12 PV38</u>	<u>Sherry FitzGerald - Terenure</u>	€235,000	54m <sup>2</sup> 581ft <sup>2</sup>	€4,352	€404	1	Apt	Modern
[X]									
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25.05.2021	<u>1 Wellington Court, Perrystown, Walkinstown, D 12</u>	<u>McGuirk Beggan</u>	€199,000	47.4m <sup>2</sup> 509.8ft <sup>2</sup>	€4,200	€390	1	Apt	1960s
[X]									
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28.04.2021	<u>206 The Crescent Building, Park West, D 12</u>	<u>Hibernian Estates</u>	€210,000	63m <sup>2</sup> 677.9ft <sup>2</sup>	€3,333	€310	2	Apt	Modern
[X]									
[±]									
17.04.2021	<u>13 Riverside, Poddle Park, Kimmage, D 12</u>	<u>Murphy Mullan - Kimmage</u>	€210,000	49m <sup>2</sup> 527.2ft <sup>2</sup>	€4,286	€398	1	Apt	Modern
[X]									
[±]									
29.03.2021	<u>57 The Concert Building, Park West, D 12</u>	<u>Buckley Real Estate</u>	€275,000	100m <sup>2</sup> 1076ft <sup>2</sup>	€2,750	€255	3	Apt	Modern
[X]									
[±]									
29.03.2021	<u>5 Ballymount Square, Ballymount Road Lower, Walkinstown, D 12</u>	<u>David Ross Estate Agents</u>	€274,950	68.7m <sup>2</sup> 739.7ft <sup>2</sup>	€4,000	€372	2	Apt	Modern
[X]									
[±]									
26.03.2021	<u>5a Ballymount Square, Walkinstown, D 12</u>	<u>David Ross Estate Agents</u>	€274,950	N/R			2	Apt	Modern
[X]									
[±]									
25.03.2021	<u>49 The Crescent, Park West Pointe, Park West, D 12</u>	<u>Ray Cooke</u>	€235,000	85.9m <sup>2</sup> 924.6ft <sup>2</sup>	€2,735	€254	2	Apt	Modern
[X]									
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24.03.2021	<u>13 Priors Hall, Manor Grove, Terenure, D 12</u>	<u>Satis Property</u>	€300,000	95m <sup>2</sup> 1022.2ft <sup>2</sup>	€3,158	€293	2	Apt	Modern
[X]									
[±]									
23.03.2021	<u>10 Fort Ostman, Old County Road, Block 2, Crumlin, D 12</u>	<u>Glavey Auctioneers</u>	€230,000	59m <sup>2</sup> 634.8ft <sup>2</sup>	€3,898	€362	2	Apt	1990s
[X]									
[±]									

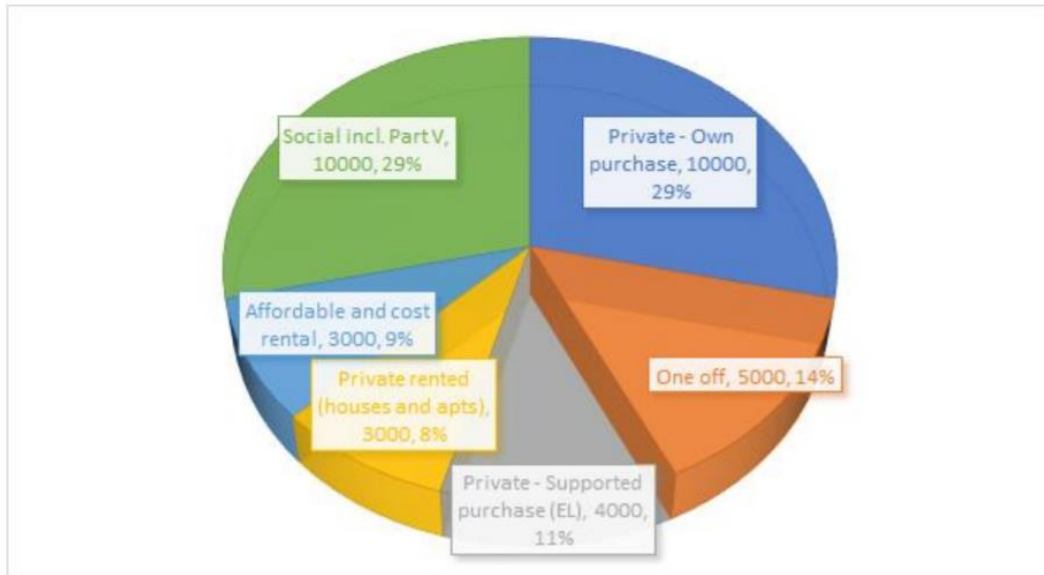
26.02.2021	<u>42 The Crescent, Park West Pointe, Park West, D 12 D12 RW53</u>	<u>BidX1</u>	€180,000 Auction	63m <sup>2</sup> 677.9ft <sup>2</sup>	€2,857	€265	2	Apt	Modern
[X]									
[±]									
19.02.2021	<u>3 The Manor, Royston, Kimmage Road West, D 12</u>	<u>Murphy Mullian - Kimmage</u>	€275,000	55m <sup>2</sup> 591.8ft <sup>2</sup>	€5,000	€465	2	Apt	1990s
[X]									
[±]									
15.02.2021	<u>22a Lansdowne Valley, Drimnagh, D 12 D12 DH02</u>	<u>Ray Cooke</u>	€225,000	74.3m <sup>2</sup> 799.7ft <sup>2</sup>	€3,027	€281	2	Apt	1996
[X]									
[±]									
12.02.2021	<u>222 The Crescent Building, Park West Pointe, Park West, D 12 D12 A9P3</u>	<u>Ray Cooke</u>	€229,000	83.6m <sup>2</sup> 899.6ft <sup>2</sup>	€2,739	€254	2	Apt	Modern
[X]									
[±]									
05.02.2021	<u>47 The Concert Building, Park West, D 12</u>	<u>Clare Connolly</u>	€210,000	75m <sup>2</sup> 807ft <sup>2</sup>	€2,800	€260	2	Apt	Modern
[X]									
[±]									
26.01.2021	<u>80 The Academy Building, Park West, D 12 D12 V566</u>	<u>Conerney Estate Agents</u>	€200,000	N/R			2	Apt	2006
[X]									
[±]									

## Keypoints

- No sale price within the subject area would allow for private development.
- If BTR is not actively promoted within this area here will not be any apartments supplied by the market.
- Existing housing stock, small and aging.

## Build to Rent as a Funding Solution

Property Industry Ireland/ IBEC in their Housing for All Submission May 2021 note, that there is no single solution. Homes will need to be supplied across the full range of tenures to meet demand from across the full income distribution. In the graph below they set out how this annual housing need might be met – including demand supported by the Equity Loan scheme proposed by PII in June 2020 and announced as part of Budget 2021.



Source: PII/ IBEC 2021 Housing for All Submission

We must secure the means to increase the scale of homebuilding to an output of 35,000 p.a. as soon as is practicably possible. In considering the composition of housing needs and tenure by ownership/occupancy type it is also worth framing this need in the context of the capital requirements – both from a development financing and owner/mortgage perspective. If we assume 50% are apartments and 50% are houses and applying the SCSi current construction cost would equate to development financing/liquidity need in the order of €176bn. The Irish market does not have the capital in place to undertake residential development on this scale. Build to Rent allows international finance to be used to produce housing on the scale required in Ireland.

### Key points

- Build to Rent is a small part of a possible solution, estimated at 8% of annual output by PII & IBEC.
- All tenures will be required to address the Irish housing crisis.
- Output must surpass the current annual target of 34/35,000 units per annum to help address the critical mass of undersupply that has developed in the market.
- The Irish market needs to attract international capital to fund housing production and this is best done through build to rent developments.

## Conclusion

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The proposed development seeks to make a much better use of the site, replacing poorly located buildings out of sync with current desired uses within the M50. The scheme is a well-considered set of landmark buildings. Set adjacent to a mature residential location the site enjoys good access to public transport and established amenities. The development will support the local area by adding demand for amenities that would otherwise have to be replicated elsewhere at great expense. The scheme provides consumers for shops and pupils for schools. This is very much in line with good planning.

Population forecasts by the CSO estimate a rise between one and two million in the next thirty years to 2051. This creates a demand for between 363,636 and 727,272 homes over that period to meet demand. That is ignoring the undersupply that is inherent in the current system. The market recognises that there is an undersupply of rental accommodation dating back 8 years. Years of poor investment returns and high taxation is driving private landlords out of the market. Large scale PRS is required to replace the declining numbers of private landlords. Our undersupply of housing is hurting young people, family formation and our attractiveness as an international business location.

Output must reach 50,000 units per annum to help address the critical mass of undersupply that has developed in the market. Rapidly rising costs has unfortunately led to a situation where private build to sell developments for apartments are not financially feasible. The market cannot address the demand for housing, especially apartments without the provision of large-scale developments of this nature.

Government policy is seeking to address this issue through the utilisation of build to rent developments in urban areas and brownfield sites. Their policies are also seeking higher standards of accommodation for the end users of developments. Build to Rent schemes offer superior amenities and address the quality accommodation shortage.

Walkinstown is typical of many urban locations. The capital value of sales will not allow for the development of apartments. If BTR is not actively promoted within this area there will not be any apartments supplied by the market. Build to Rent is a small part of a possible solution, estimated at 8% of annual output by PII & IBEC. However small a percentage of total output BTR may be, it is essential that this scheme be actively promoted to allow for our population growth and changing accommodation needs.



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