

**DEVELOPMENT LAND
GREATER DUBLIN AREA
REPORT**

Q1 2021

Lisney



DEVELOPMENT LAND IN NUMBERS

ACTIVITY



GDA DEVELOPMENT
LAND MARKET
TURNOVER

LARGEST
TRANSACTION



THE PAPERMILL,
CLONSKEAGH

AVERAGE
LOT SIZE



JUST TWO DEALS
GREATER THAN €10M

SUPPLY



ON-MARKET
SUPPLY LOW BUT
EXPECTED
TO IMPROVE



STRATEGICALLY POSITIONED 68.85 HA (170.14 ACRE) LAND BANK FOR SALE IN SALLINS, CO. KILDARE – FOR SALE BY LISNEY Q1 2021.

ACTIVITY

In the context of the pandemic and Ireland's level 5 status, the development land market in the GDA had a good level of transactional activity in Q1 with turnover at almost €90m across 18 sales. The average lot size was €5m and there were just two deals in excess of €10m, which together made up one-third of total market turnover. Additionally, eight of the eleven residentially zoned sites were less than 3 acres in size.

The largest deal in the three months comprised Bain Capital's acquisition of the Papermill in Clonskeagh, a 3.4 acre site with full planning permission for 124 apartments along with 12 houses representing €5.3m per acre or €132,000 per unit. In Co Kildare, almost 50 acres of residential and neighbourhood centre zoned land on the Blessington Road in Naas sold for a reported €10.5m or €210,000 per acre. Also of note was the sale of 12.4 acres in Ashford, Co Wicklow (€8.8m / €700,000 per acre or €66,000 per unit) that benefited from a SHD planning permission for 133 units; the sale of 10.5 acres of rural village zoned land in Malahide (€7.5m / €714,000 per acre); and the sale of almost 30 acres in Co Meath (€7m / €233,000 per acre), where part of the lands are zoned residential.

DEMAND

Even during lockdown, developer and investor interest remained good for development land opportunities. Sites with full planning permission in Dublin and the surrounding counties were most in demand. Domestic developers were most interested in residential infill sites, building on the momentum of the final months of 2020.

SUPPLY

Despite the demand, supply of on-market sites remained limited as potential vendors were reluctant to bring opportunities to the market because of the COVID-related restrictions, fearing a lack of full market participation. On-market supply in the GDA was less than €220m at the end of March, much of which was sale agreed or in advanced negotiations. This is expected to greatly improve in Q2 as those that had postponed sales last year (both high profile sites and those in less prime areas) move forward as the phased re-opening of the economy resumes, including the reopening of building sites.



OUTLOOK

- 1 The closure of the construction sector in Q1 and into Q2 has had a significant negative effect on the delivery of residential units. Fortunately for some developers, they had forward sold schemes in recent months to private investors and approved housing bodies for use as PRS and have a strong pipeline of units to complete.
- 2 Activity in the residential land market is likely to grow in the months ahead as some developers begin to reach completion on existing schemes and will seek replacements. However, construction labour capacity constraints along with rising building material costs will have an impact.
- 3 There has been an increase in enquiries from owners of hospitality and retail properties with development potential who are considering their options. It is likely that a greater number of redevelopment opportunities will come to the market in the second half of 2021 and into 2022.
- 4 The Government is currently reviewing the planning process ahead of the expiry of the strategic housing development scheme (fast-track planning) next February. Also as part of this it is considering increasing the social and affordable element on applicable residential sites to 20% from 10%.

THE DEVELOPMENT LAND TEAM



CATHAL DAUGHTON
Senior Director



MARTIN O'HALLORAN
Chartered Surveyor



RYAN CONNELL
Surveyor

THE LISNEY RESEARCH TEAM



AOIFE BRENNAN
Senior Director

OUR OFFICES

DUBLIN

St. Stephen's Green House,
Earlsfort Terrace,
Dublin 2, D02 PH42
T +353 (0) 1 638 2700
E dublin@lisney.com

CORK

1 South Mall,
Cork, T12 CCN3
T +353 (0) 21 427 5079
E cork@lisney.com

BELFAST

Montgomery House,
29-33 Montgomery Street,
Belfast, BT1 4NX
T +44 2890 501501
E belfast@lisney.com

**DEVELOPMENT LAND
GREATER DUBLIN AREA
REPORT**
Q1 2021

Lisney