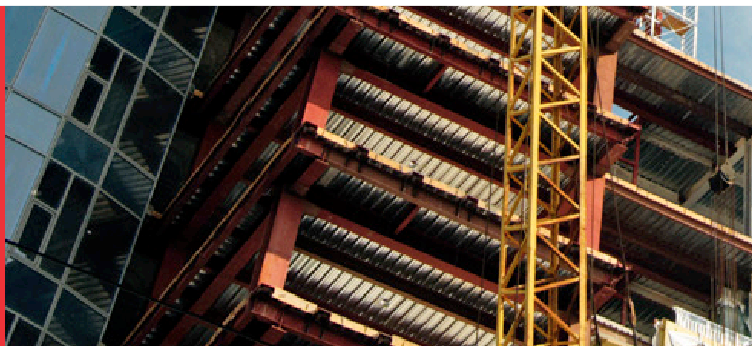
Lisney
COMMERCIAL REAL ESTATE

GDA DEVELOPMENT LAND

Q1 2025



Q1 2025

Activity levels in the development land market in the GDA continued to improve in Q1 2025 outperforming the opening quarters in both 2024 and 2023. That said, challenges around construction costs, planning delays, and access to finance remain. Demand is strongest for sites with planning permissions, although interest in land without planning is beginning to pick up.

≈ €100m
≈ 260 acres
Turnover

14
Numebr of Deals

€47m
Project Shoreline lands, Baldoyle, Dublin 13
Largest Deal (By Value)

83%
Dubln

56%
of Turnover
Full Planning Permission

€7m
Average Deal Size

Arrows represent quarterly trends unless otherwise stated.

ABOVE: Former Becketts

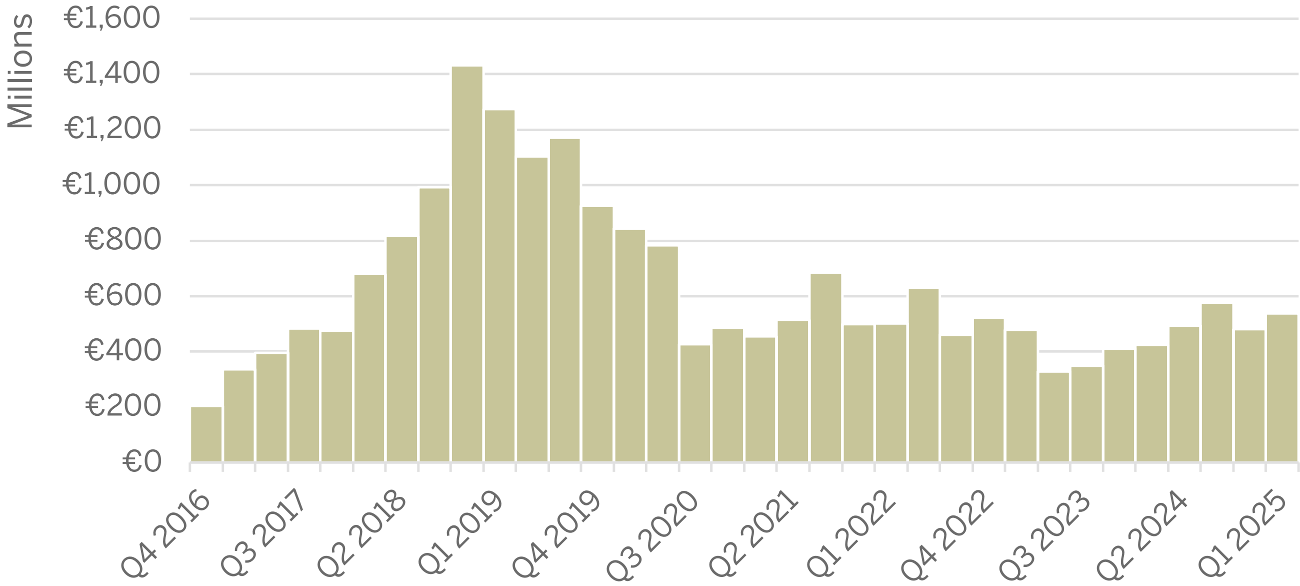
Activity

In Q1 2025, 14 development land sites were sold in the Greater Dublin Area (GDA), with a combined selling price of approximately €100m, including one substantial confidential deal where we have estimated the value.

While lagging the final quarter of 2024, Q1 significantly outperformed both Q1 2024 (€43.7m) and Q1 2023 (€30.8m). The average deal size was about €7m in Q1 2025, also higher than it was in Q1 2024 (€3.6m) and Q1 2023 (€3.4m), and in line with the 2024 annual average, also at €7m.

The rolling 12-month turnover figure rose to €540m, continuing the recovery from the post-peak low of €330m in 2023. However, current levels remain well below the 2018/2019 highs, when turnover exceeded €1.4bn.

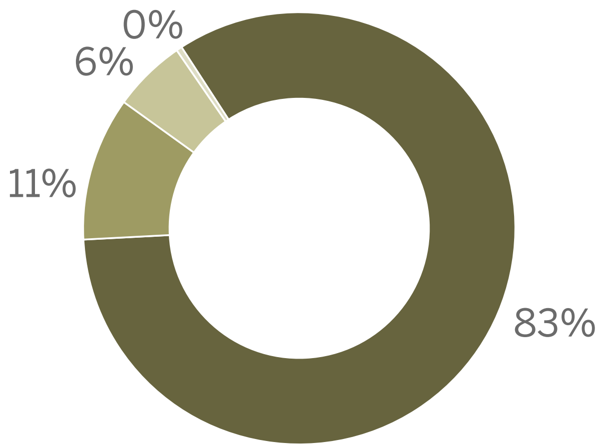
Quarterly 12-Month Rolling Turnover (GDA)



Source: Lisney

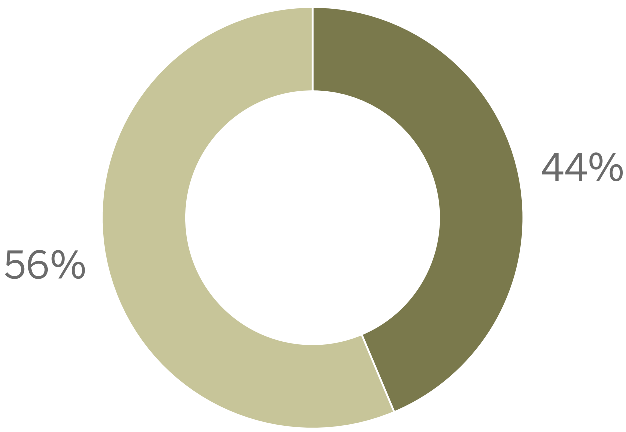
Dublin continued to dominate the market in Q1 2025, accounting for 83% of total turnover in the GDA, followed by Co. Kildare (11%), Co. Meath (5.5%), and Co. Wicklow (0.5%). Seven of the sold sites had planning permission, accounting for 56% of turnover but just 25% of the land by area

GDA Development Land Activity (Q1 2025)



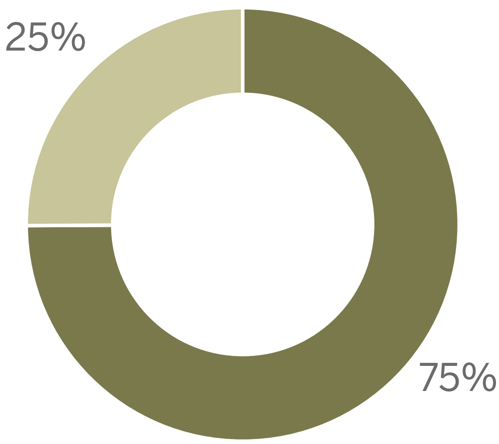
Source: Lisney

Turnover by Planning Status (Q1 2025)



Source: Lisney

Acres by Planning Status (Q1 2025)



Source: Lisney

The largest deal was the sale of a portion of the lands (47 acres) in Project Shoreline in Baldoyle, which was reportedly sold by Richmond Homes to the Land Development Agency (LDA). It adjoins existing lands already owned by the LDA at Clongriffin where it is currently building 408 cost rental and social housing units. Project Shoreline was originally transacted in 2019 and at the time extended to 125 acres. Since then, Richmond Homes has developed out part of the lands, building over 100 units. There is an existing grant of planning permission for over 1,900 homes.

Also of note in the quarter was the sale of lands at Dublin Central Logistics Park in Finglas on the northern side of the M50 at the junction with N2. The site extends to approximately 91.4 acres and was sold in three lots for a total of €27.6m. One lot was acquired by the Central Bank of Ireland (29.3 acres) for its cash centre relocation from Sandyford. Nocsy 5 Ltd, a subsidiary of Con McCarthy's Sandymark group, acquired the adjacent 57-acre industrial site with a view to developing it in a manner similar to its existing logistics scheme at Greenogue Business Park in Rathcoole. The remaining 5.1 acres at Dublin Central Logistics Park, meanwhile, was purchased by a private investor.

Another notable transaction was the €10.7m sale of residential lands at Tipper Road, Co Kildare, which has planning permission for 113 residential units demonstrating the large demand for site with planning permission at nearly €95,000 per site.

In addition, lands at Stephenstown, Balbriggan (19.2 acres), zoned residential with potential for 322 units, were sale agreed to Park Developments for around €15m.

Demand

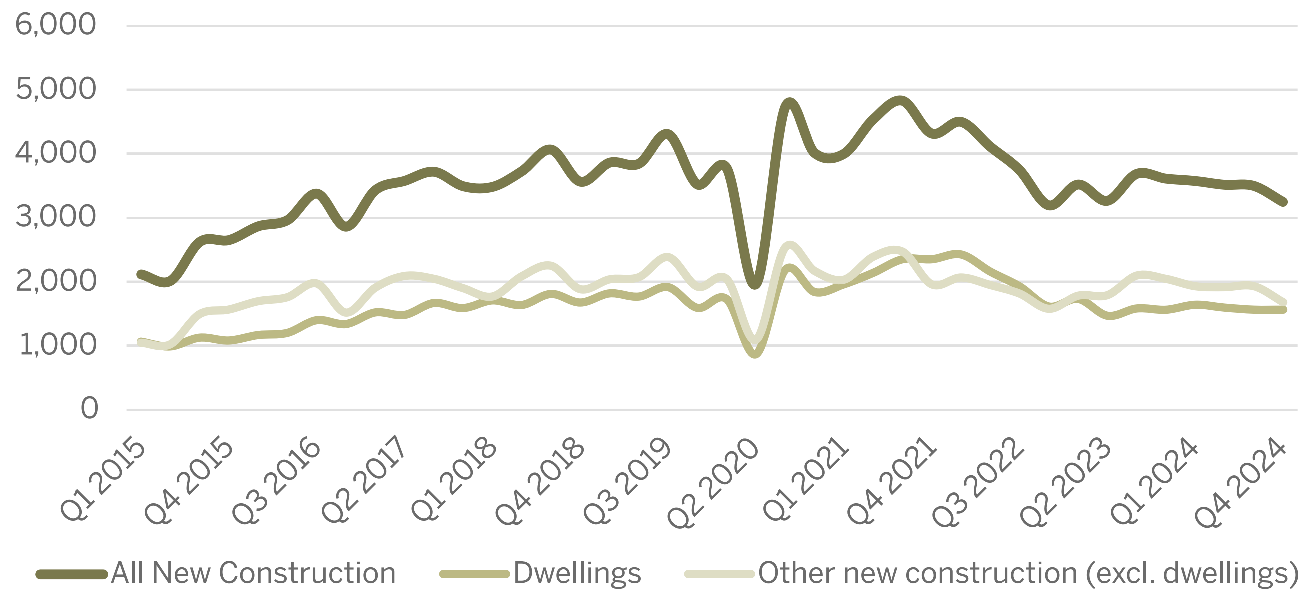
As has been the case for several years, demand remains strongest for sites with viable residential planning permission (both greenfield and brownfield). However, the availability of such sites is limited and is likely to remain so in the medium term. Funders continue to favour lower-risk projects in strong locations with clear delivery timelines. While construction cost inflation has levelled off and falling interest rates may provide relief, the broader macro environment means that sources of finance are more cautious.

Simultaneously, there has been growing interest from developers in acquiring land without planning (and in some cases unzoned or strategic reserve land) anticipating future zoning changes or policy shifts, aiming to build a long-term pipeline and streamline future delivery.

This shift aligns with the data on granted planning permissions. There were 3,245 permissions granted for dwellings and other new construction (non-residential) in Q4 2024 (most recent data available), the lowest quarterly figure since Q4 2022. This represents a 10% annual decline, down from 3,609 units in Q4 2023 and well below the Q3 2021 peak of over 4,800 units.

Of the total, 1,566 permissions were for dwellings, broadly stable on a quarterly basis but down notably from the highs recorded in 2021 and 2022. Permissions for other new construction (e.g. commercial and industrial development) fell more sharply, declining 18% since Q4 2023 to 1,679 units, the weakest figure since Q4 2022.

Planning Permissions Granted (Q1 2015 – Q4 2024)



Source: Lisney

Supply

There was a notable increase in new instructions and pitch activity in early 2025, partly driven by the introduction of the Residential Zoned Land Tax (RZLT), which appears to be encouraging some landowners to bring sites to market.

Conversely, Glenveagh, one of Ireland's largest developers with a land bank of hundreds of acres (suitable for approximately 20,000 units), is seeking to release part of its holdings in response to the RZLT. Glenveagh plans to offload any sites strategically (by way of licences and development agreements) allowing the developer to retain a degree of control over any deals.

- At the end of March 2025, approximately €130m of land was available for sale on the market. However, in reality, this number is likely higher due to substantial off-market activity. A number of large sites became available through on and off-market sales processes in recent months and included:
- Woodlands on Clonshaugh Road in Dublin 17 (21.5 acre) on the market for €11.5m.
- 97 acres in Maynooth West on Newtown Road, Co. Kildare. The site is zoned Strategic Reserve (SR2) which safeguards the land's readiness to transition into future Transport orientated uses such as residential, aligning with regional development plans and infrastructure projects. On the market for €10m.
- Site on Kitestown Road in Howth, Co. Dublin (3.7 acres) with a feasibility study for 21 residential units. On the market for €4.75m.

In Focus – Legislation

IMPLEMENTATION PLAN FOR THE PLANNING AND DEVELOPMENT ACT 2024

In early 2025, the Department of Housing, Local Government and Heritage published the Implementation Plan for the Planning and Development Act 2024, which was signed into law in October 2024. The Act introduces wide-ranging reforms aimed at enhancing clarity, consistency, and confidence in the planning system. Implementation will proceed in four distinct phases, or "Blocks," throughout 2025 and 2026. Provisions in the Planning and Development Act 2000 will remain in force until the corresponding provisions of the new Act are commenced.

Implementation Timeline of the Planning & Development Act 2024

ABOVE: Haddington Place

THE REVISED NATIONAL PLANNING FRAMEWORK

Just after the end of the quarter, in April 2025, the Government approved the Revised National Planning Framework (NPF), completing a comprehensive revision that began in June 2023. The updated framework sets ambitious housing delivery targets, aiming to deliver an average of 50,000 homes per year, more than double previous targets. The overall target is intended to be met by incremental increases from 41,000 units in 2025 to 60,000 by the end of 2030 and maintaining this level thereafter. These targets are designed to address Ireland's housing needs more effectively, acknowledging past shortfalls in meeting housing demands. The revised NPF will now inform a broad range of government policies and actions, guiding public and private sector efforts in housing, infrastructure, and climate initiatives.

THE RESIDENTIAL ZONED LAND TAX (RZLT)

The RZLT came into effect earlier this year, with the first liability date on 01 February 2025 with payment and filing due by 23 May 2025. The tax applies to zoned and serviced residential land that remains undeveloped, with the aim of encouraging housing delivery on such sites. Landowners are required to self-assess the market value of their land and register it through Revenue's online system. The annual tax is charged at 3% of the market value. Maps identifying liable lands will be updated on a yearly basis.

Exemptions apply to land already in residential use and paying the Local Property Tax, land in active business use, and certain farming lands where owners are seeking rezoning to reflect agricultural activity. Payment deferrals are possible in cases where a judicial review is pending or a commencement notice has been lodged.

The guidelines on 'Sustainable Residential Development and Compact Settlements' from January has the potential to improve supply and increase the viability of lands by allowing more flexibility around housing types.

Outlook

While supply has been constrained in recent years, there will be continued improvements in both on and off-market offerings in 2025. This will come from various types of vendors, including those that are under pressure from funders (including owners in receivership), those selling due to an inability to develop-out schemes because of higher cost, and others because of the residential zoned land tax. Certain institutions will also bring lands to the market.

The guidelines on 'Sustainable Residential Development and Compact Settlements' from January has the potential to improve supply and increase the viability of lands by allowing more flexibility around housing types. The Government-backed Help-to-Buy and First Home schemes are crucial for new home buyers and play a large part in achieving viable schemes.

In terms of new scheme viability, there will be both positive and negative factors at play. Construction cost inflation should stay relatively stable this year, but costs will remain 35% to 40% more than pre-pandemic. Following some declines last year, global interest rates are predicted to fall further over the course of the year, which will assist in the cost and availability of finance – both to buy land and fund development. However, funders will remain cautious around development and will continue to assess the risk profile of the proposed development and the developer, and make judgements on margin based on the profile. This will mean that cash purchasers will be in a strong position, but they will be selective and will only progress with deals where they perceive clear value.

The 2025 Programme for Government maintains the commitment to delivering an average of 12,000 new social homes annually, as part of a broader target of constructing over 300,000 homes by 2030. Significant funding continues to support government-backed entities such as Approved Housing Bodies (AHBs), local authorities, and the Land Development Agency (LDA), which remain very active buyers in the market. These bodies engage in various procurement methods, including land acquisitions, joint ventures, pre-funding, and turnkey agreements with private developers. However, challenges persist due to capacity constraints, particularly staffing shortages

The Government has announced the establishment of the "Housing Activation Office' expected to be led by NAMA CEO Brendan McDonagh. The office will be responsible for "addressing barriers" to the delivery of housing and will have a staff of 10 people. The Government are also believed to be looking at re-introducing the development contributions and utilities levy exemption along with removing VAT on new homes with possible announcements on further issues due before the summer.

Meet The Team

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