

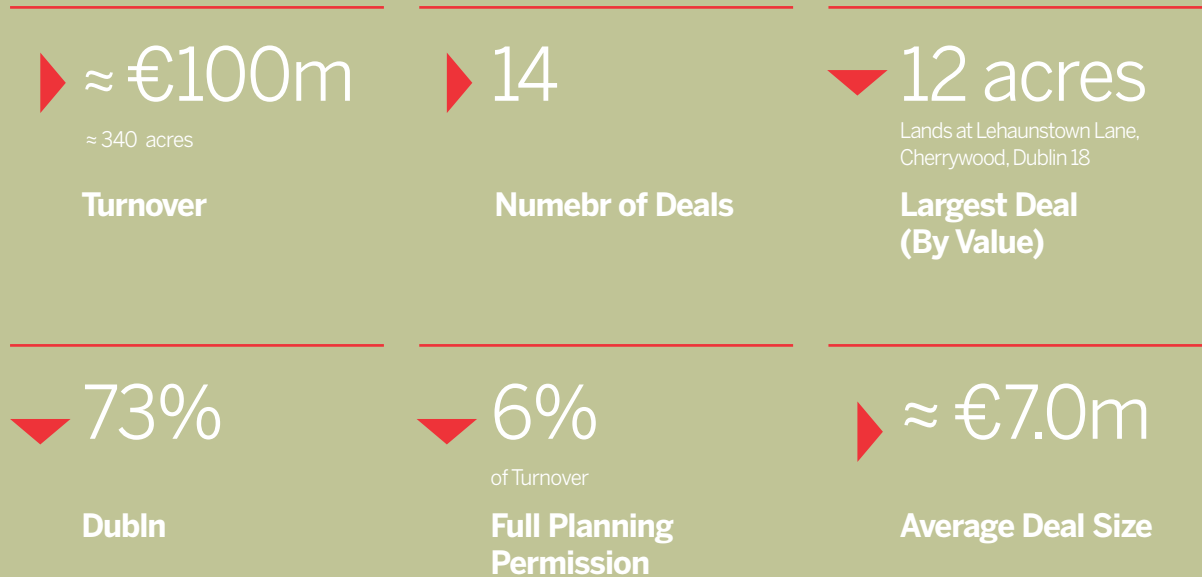
GDA DEVELOPMENT LAND

Q2 2025



Q2 2025

Activity in the GDA development land market remained stable in Q2 2025. Construction cost pressures have eased slightly, but access to finance, planning delays, and delivery risk continue to weigh on the market. Demand remained strongest for sites with planning permission, although interest in larger sites without planning, including un-zoned or strategic reserve land, is picking up, especially in Dublin and areas with good transport links.



Arrows represent quarterly trends unless otherwise stated.



ABOVE: Hartwell Road

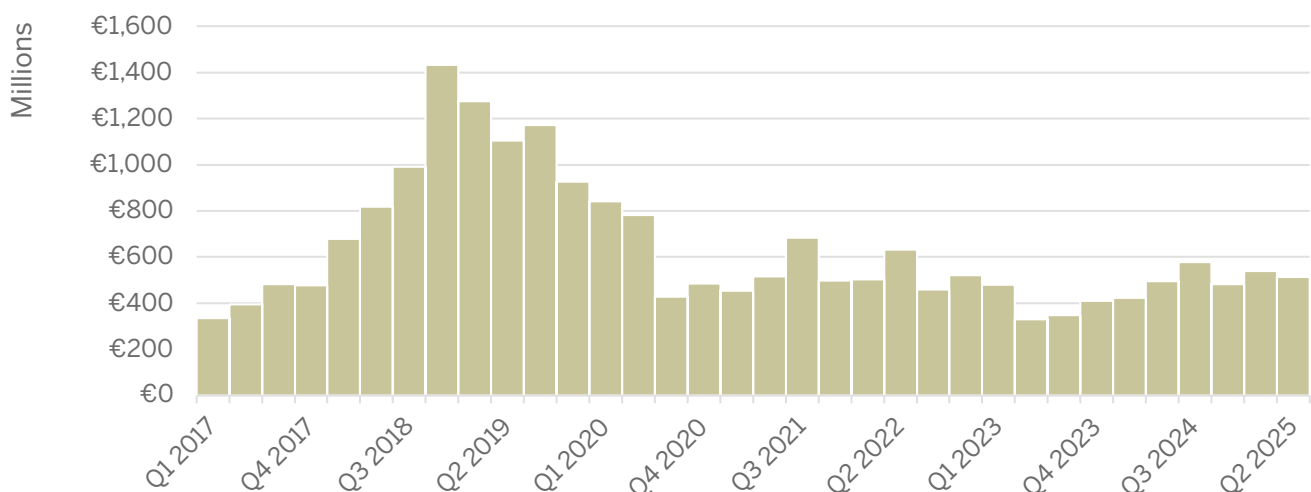
Activity

Following a reasonable start to 2025, activity in the GDA's development land market remained stable in Q2 2025, reaching about €100m across 14 deals.

This brought total activity for H1 2025 to approximately €200m, slightly above the €170m recorded in H1 2024, and more than double the €86m in H1 2023. The average deal size in Q2 was €7.0m, broadly in line with €7.1m in Q1.

The rolling 12-month turnover reached €510m, down from €538m in Q1, although still ahead of the post-peak low of €330m recorded in 2023. That said, current levels remained well below the highs of 2018 and 2019, when turnover exceeded €1.4bn.

Quarterly 12-Month Rolling Turnover (GDA) (Q1 2017 – Q2 2025)

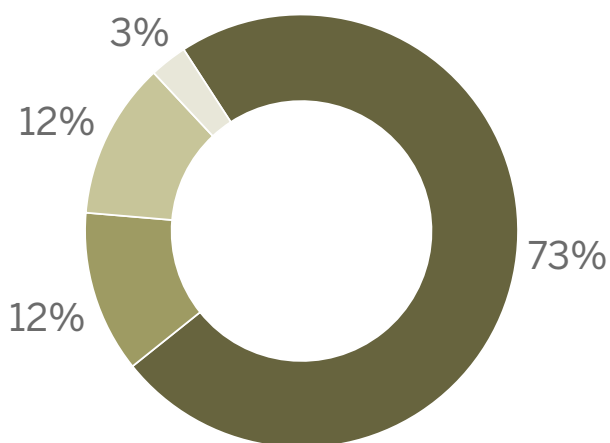


Source: Lisney

Dublin continued to dominate the market in Q2 2025, accounting for 73% of total turnover in the GDA, followed by Co. Kildare (12%), Co Meath (12%) and Co. Wicklow (3%). Only two of the sold sites had planning permission, making up 6% of turnover and just 1% of the land by area.

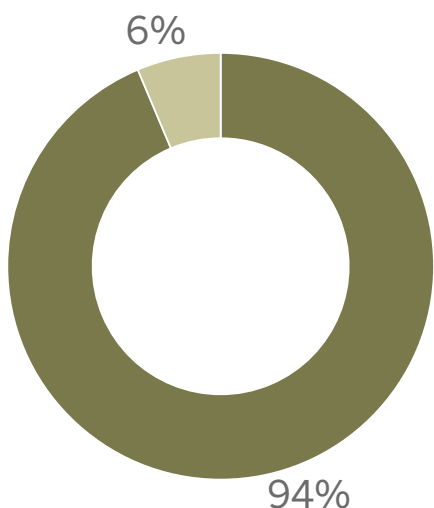
The largest deal (by value) was an off-market sale of an 11.7-acre site at Lehaunstown Lane, Cherrywood, Dublin 18 to LDA for €18m. The site has potential for over 350 new homes and forms part of the LDA's broader strategy to acquire high-potential sites for affordable housing. It adjoins a site purchased by Dún Laoghaire-Rathdown County Council in 2024, with the combined lands expected to deliver around 700 homes.

GDA Development Land Activity (Q2 2025)



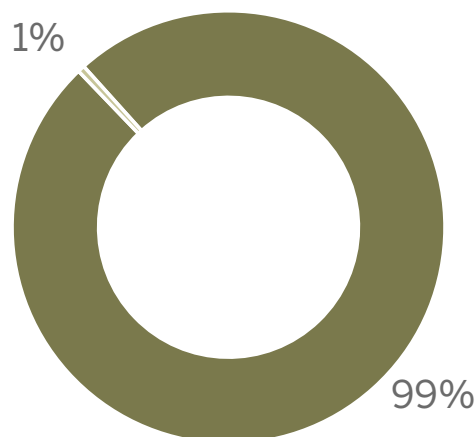
Source: Lisney

Turnover by Planning Status (Q2 2025)



Source: Lisney

Acres by Planning Status (Q2 2025)



Source: Lisney

The LDA also acquired a 9.75-acre site in Cookstown located off Belgard Road, Tallaght, Dublin 24. The site was acquired from a private seller as part of the LDA's private site acquisition initiative in an off-market deal. The price paid has not been disclosed, but it is zoned for regeneration and has potential for over 700 new homes. The LDA has indicated that it will commence design and planning work immediately, aiming to start construction by 2028, subject to planning.

Another notable transaction was Park Development's €15m acquisition of a 19-acre site at Stephenstown in Balbriggan. Located adjacent to an existing residential scheme and the Millfield Shopping Centre, the site is zoned for residential and a feasibility study indicates the potential for 322 units.

Ballymore acquired a residential 13-acre site at Naas Racecourse in Co Kildare for €7.8m. The developer is reportedly expected to submit a planning application in the coming months for up to 300 homes.

In addition, the former Agnelli Motors Site in Dublin 24 (2 acres) was sold for €6m; Skylark Hill in Newcastle, Co. Dublin (63 acres) was sold for €5.6m; and 1 acre at Crofton Road in Dun Laoghaire was acquired for €5.25m.

Demand

As has been the case for several years, demand remained strongest for sites with viable residential planning permission, particularly in Dublin and well-connected commuter towns in Counties Meath, Kildare and Wicklow. However, the availability of such sites is limited and is unlikely to improve in the short to 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 offer some relief, financiers remain cautious due to the wider macro environment, including the economic headwinds from US tariffs.

Simultaneously, there has been growing interest in larger sites without planning permissions, including un-zoned or strategic reserve land, with developers anticipating future zoning or policy changes. This is particularly evident in the GDA, where urban sites near public transport links are seen as key to delivering higher-density residential schemes.

From Planning To Delivery

Construction pipeline statistics, both planning grants and commencements, were weaker in the first half of 2025 compared to 2023 and the early months of 2024. There are several intertwined reasons, most notably infrastructural blockages in terms of utility connections, elevated costs and associated viability issues, delays in funding (particularly for state-funded entities), and the wider macro-economic uncertainty prevailing globally.

PLANNING PERMISSIONS

Nationwide in Q1 2025, there were 3,440 planning permissions granted, of which 1,597 were for new dwellings and 1,843 were for non-residential (commercial) schemes. These comprised 8,177 residential units (60% houses and 40% apartments) and 391,000 sqm of commercial space. In terms of residential permissions, on an annualised basis to the end of March 2025 (most up to date data available) the number of dwellings

receiving permission nationwide fell compared to both March 2024 and March 2023 – by 15.2% and 13.9% respectively; at just under 32,200 grants in 12 months. More alarmingly is the decline in apartment permission, falling by one-third in the year; apartment development is needed to push completion numbers up more quickly and feed into much needed supply.

Planning Permissions Granted in Ireland (Q1 2015 – Q2 2025)



Source: CSO

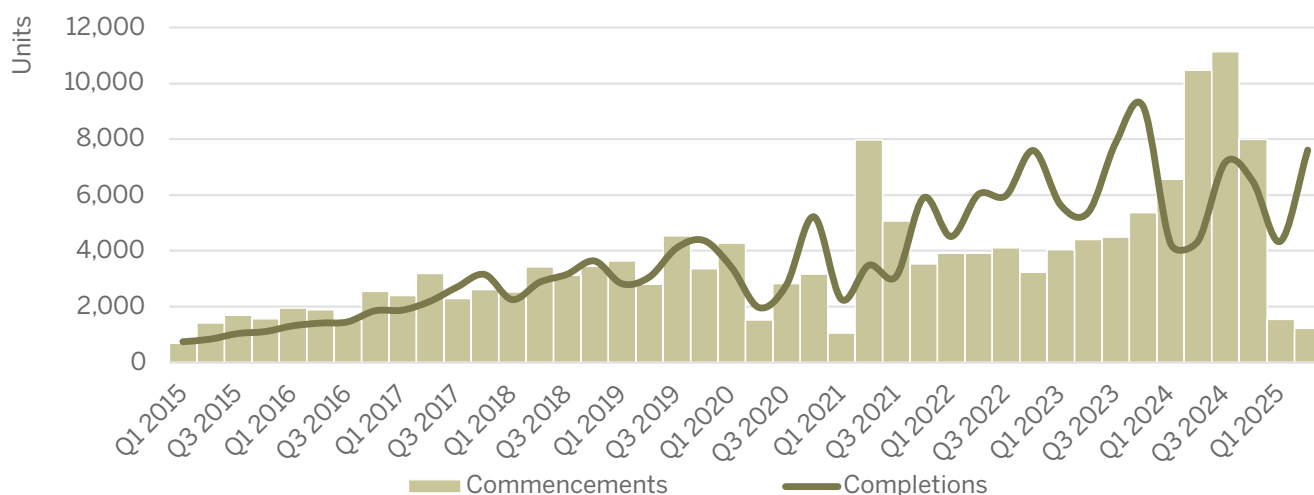
COMMENCEMENTS & COMPLETIONS

For the second consecutive quarter, nationwide residential commencement notices were considerably down on previous quarters; at 2,918 units in Q1 and 3,407 units in Q2, compared to a quarterly average of over 17,000 units in the previous 12 months. Figures for the GDA follow the same trend, averaging 1,400 units in Q1 and Q2 compared to an average of 9,000 units a quarter in the previous year. With the exception of Q1 2021 during the pandemic, commencements have not been at such low levels since 2015 (GDA) and 2016 (nationwide). As with planning applications, this is partly due to developers breaking ground more quickly to avail of the temporary waiver, but it is also linked to the other factors set out above around sentiment, infrastructural deficits and viability.

While completions are currently outpacing commencements, this imbalance is not sustainable and could, unless addressed quickly, result in reduced output from 2026 onwards if not addressed.

One of the contributing factors to the recent slowdown in commencements could be the fast-track system introduced by the Planning and Development (Amendment) Act 2025. It allows developers to modify existing residential planning permissions, particularly to align with the new apartment design standards introduced in July 2025, without going through the full planning process. Instead, developers can apply for a 'permitted modification' certificate, based on revised drawings to internal adjustments like unit mix, minimum unit sizes, window ratios, and communal space requirements. In the short term, this is expected to delay construction commencements as developers might pause to redesign schemes. However, it should support viability in the medium term and a stronger pipeline of commencements from 2026 onwards.

Commencements and Completions in GDA (Q1 2015 – Q2 2025)



Source: CSO

Supply

There was a notable increase in new instructions and pitch activity in the first half of 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 off-load 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 June 2025, approximately €120m of land was available for sale on the market. However, in reality, this is likely higher due to substantial off-market activity. Examples of large sites available through on and off-market sales processes at the end of June included:

- Woodlands on Clonshaugh Road in Dublin 17 (21.5 acre) on the market for €11.5m.
- 44.5 acres at Hartwell Road in Kill, Co. Kildare. The site is zoned strategic reserve (previously zoned residential) with a portion of unzoned lands. On the market for €7m.
- 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.



The updated framework sets ambitious housing delivery targets, aiming to deliver 300,000 new homes over five years by the end of 2030.



In Focus – Legislation

THE REVISED NATIONAL PLANNING FRAMEWORK

Earlier in 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 300,000 new homes over five years by the end of 2030, and to maintain an average of 50,000 new homes annually thereafter. This is a significant increase on previous targets. The revised approach aims to respond more effectively to Ireland's housing needs, acknowledging the historic shortfalls in delivery.

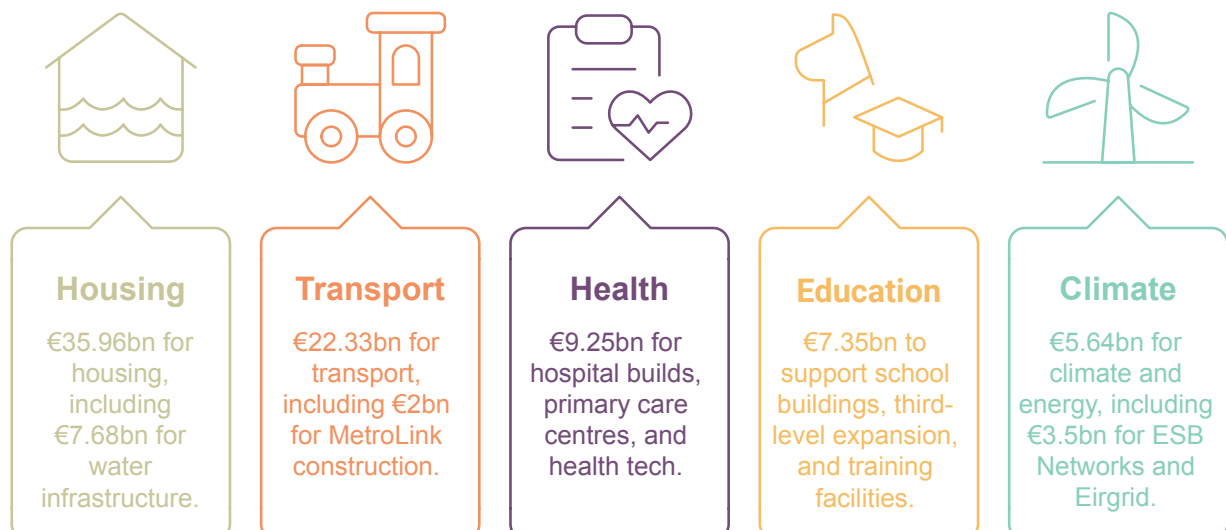
The NPF sets out the strategic vision and growth targets for the country, particularly in housing and sustainable development. It also informs a wide range of government policies and actions across housing, infrastructure, and climate.

NATIONAL DEVELOPMENT PLAN 2025

The updated National Development Plan (NDP) 2025 provides the capital investment framework to deliver the NPF's goals. It sets out the government's long-term strategy with a strong focus on housing, transport, water, energy, and climate infrastructure, all seen as critical to supporting the delivery of 300,000 additional homes by 2030.

The plan outlines a €275.4bn investment programme over the period of 2026 to 2035, with €102bn committed up to 2030. While allocations vary by sector, the emphasis remains on addressing the housing crisis, reducing emissions, and supporting balanced regional development.

Top Five Capital Investment Sectors



Source: gov.ie





ABOVE: Christ Church, Leeson Park

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, 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 in the months ahead. Construction cost inflation should stay relatively stable this year, but costs will remain elevated compared to pre-pandemic period. Following some declines already, global interest rates are predicted to fall further over the remainder of 2025 and into 2026, 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.

Meet The Team

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