

# Development land: the prospect for 2020

This year, potential developers must contend with stabilising house and land prices, rising build cost inflation and macroprudential regulation



**Donal Buckley**

Already since the start of the 2020 property market, development land has accounted for a significant portion of the lots being offered for sale.

Nevertheless, some agents differ on the prospects for the year. Ross Shorten of Lisney said 2020 will continue to see domestic builders focusing on smaller infill sites, while overseas investors concentrate on the larger redevelopment opportunities in the city centre.

"Premiums are being achieved for sites with planning permission that have a low-risk route to delivery and developer exit. Speculative land purchases without planning are still occurring for well-located sites," he said.

On the other hand, John Donegan of Cushman & Wakefield said that with construction inflation running at more than 5 per cent and house prices stabilising, smaller developers have become more cautious.

Both Peter Garrigan of CBRE and Donegan agreed that prices are stabilising, a trend that Garrigan said was evident last year, in part due to rising build-cost inflation and in part due to

the Central Bank's macroprudential rules.

The latter restricted access to mortgages for some home buyers and in turn impacted liquidity and pricing in the land and housing markets.

The largest lot to come to the market so far this year is an 800-acre holding of industrial and agricultural lands related to the former Lisheen Mine near the border of counties Tipperary and Kilkenny. The lands are officially designated as the National Bioeconomy Campus, where renewable biological resources from land and sea are used to produce food, materials and energy. James Meagher of Knight Frank is seeking offers in excess of €11 million for the lot.

Additionally, "Modern Demonstrator Region" status has been awarded by the European Commission to the area, one of only six EU regions granted such status. A number of out-buildings and residential dwellings are situated across the holding.

The property also contains a wind farm comprising 18 wind turbines, which will generate an income stream for the purchaser. Lisheen Mine closed in 2015 and the property has since been redeveloped as a brownfield

industrial site.

A significant part of the lands is suited to dairy farming, while there is also potential to enlarge the wind farm or seek other renewable energy uses such as solar farming.

The vendors are also in discussions with a number of other operators to set up facilities within the campus on land that will not form part of the land for sale.

It is situated close to the M8 Dublin to Cork motorway as well as the towns of Urlingford, Thurles and Templemore.

## Industrial site in Finglas

Also new to the market last week was a 10.13-acre former industrial site on Jamestown Road in Finglas in north Dublin, for which agent Cushman & Wakefield is guiding €6.5 million.

A feasibility study shows it has the capacity for a development with about 605 apartments. That suggests the price equates to around €640,000 per acre or around €10,740 per unit site.

Marlet, the development firm headed by Pat Crean, is selling the site, which it acquired less than five years ago when the site had a €3.5 million guide price. The self-contained brownfield site benefits from about 275 metres of frontage on to the northern section of Jamestown Road, where a number of commercial occupiers and residential developments are located. It is close to Charlestown Shopping Centre, the M50 motorway and Dublin Airport.

Under the Dublin City Development Plan, the Jamestown site is currently zoned 'Z6 - Employment/Enterprise' and lists residential use as 'Open for Consideration'. However, a residential developer would need to seek rezoning for housing.

Prospects for such a rezoning may have improved following recent Dub-

lin City Council proposals to rezone 20 mainly industrial sites around the city for housing. These include sites in the nearby Dublin 9 and 11 areas such as Shanowen Road, Swords Road and Santry Avenue as well as Clearwater Retail Park.

Marlet has been offloading some of its development sites in the last two years, the most valuable of which were two sites sold in 2019 to Tristan Capital Partners for a combined €54.5 million.

One of those sites comprised 9.63 acres in Cabra, Dublin 7, which had planning permission for 420 dwellings; the second was a 7.2-acre site at Aiken's Village, Sandyford, Dublin 18, which had permission for 243 new units.

A third lot, comprising 6.55 acres at Carriglea in Bluebell in Dublin 12, had planning for 358 apartments and a €12 million price tag.

Peter Garrigan expects supply to be boosted this year by landowners looking for exit options on some of the land they have accumulated over recent years and in advance of more onerous vacant site taxes coming into force.

"Vendors will largely comprise private landowners and both public and private bodies seeking to maximize the value of landholdings and put their lands into production - or, in the case of private, trading sites that they don't have capacity, or indeed funding, to deliver themselves in the short to medium term.

"Although the number of land sales in 2020 is likely to be broadly similar to last year, the overall volume of transactional activity could be more muted due to the stabilisation of land prices. The structure of land sales in 2020 is expected to be considerably different to last year, however, with more forward-fund and forward-commit structures anticipated," he said.



The former Lisheen Mine in Co Tipperary and, below, Jamestown Road, Finglas, Co Dublin



# Construction Information Services round-up



A build-to-rent strategic housing development is proposed for a site of about 2.14 hectares at Cornelscourt Village on the Old Bray Road in Dublin 18



Royal Canal Park: a planning application has been lodged for 435 more apartments

A weekly look at the big building schemes going up around the country

## Planning submitted for €21m residential scheme in Thurles

Liberty Square Consulting Limited has submitted a strategic housing development application to An Bord Pleanála for a development consisting of 98 houses and 24 apartments. The €21 million residential development will be located in Thurles, Co Tipperary and a decision is expected to be made An Bord Pleanála in April.

## Ballymore applies for fourth phase at Royal Canal Park

Ballymore has submitted a strategic housing development application to An Bord Pleanála for an €87 million development of 435 apartments, which will act as phase 4 for the ongoing Royal Canal Park project. A decision is expected to be made by An Bord Pleanála on the project by April.

## Bartra gets green light for BTR scheme in D15

Bartra Capital granted a strategic planning application by An Bord Pleanála for a 198 build-to-rent development. The €20 million project will be located at Brady's Public House, Old Navan Road, Dublin 15. Construction schedules are currently unknown.

## Chilldale awaits decision on 130 houses in north Dublin

An Bord Pleanála is expected to make a decision by April on a fast track appli-



A total of 753 homes are planned for Lahardane and Ballincolly (Townlands) in Cork city

cation submitted by Chilldale Limited for a €28.9 million development of 130 houses and one creche at Rowlestown in north Co Dublin.

## Apartments and houses planned for Co Galway

Trean Meadow Limited has submitted a strategic housing development application to An Bord Pleanála for a development to comprise 78 apartments and 24 houses. The €15.7 million residential development will be located in Doughiska in Co Galway. An Bord Pleanála is expected to make a decision on the project by April.

## €165m residential scheme awaiting decision in Cork city

Longview Estates Limited has submitted a strategic planning application to An

Bord Pleanála for 753 units. The €165 million residential development will be located at Lahardane and Ballincolly (Townlands) in Cork city. An Bord Pleanála is expected to make a decision on the project by April.

## 575 homes in planning for Kilcock, Co Meath

McGarrell Reilly Homes has submitted a strategic planning application to An Bord Pleanála for the construction of 575 residential units at Newtownmoyaghy in Kilcock in Co Meath. ABP is expected to make a decision on the €126 million residential development by April.

## 468 BTR units planned for Cornelscourt in D18

Cornel Living Limited has applied to An Bord Pleanála for planning permission

for a 'Build to Rent' strategic housing development located on a site of about 2.14 hectares at Cornelscourt Village on the Old Bray Road in Cornelscourt in Dublin 18. The 'Build to Rent' scheme comprises of 468 apartments and houses. An Bord Pleanála is expected to make a decision on the project by April.

## Application submitted for €25m Dundalk apartments

Sprucetree Park Limited has submitted a strategic planning application to An Bord Pleanála for 114 apartments. The €25 million apartment development will be located at Connolly's Field on Long Avenue in Dundalk, Co Louth. An Bord Pleanála is expected to make a decision on the project by April.

The costings on these projects are indicative and are based on a price per square



A decision is expected on an application for a €28.7 million development in Rowlestown in north Co Dublin



McGarrell Reilly plans 575 units at Newtownmoyaghy in Kilcock in Co Meath

metre for shell and core only. Construction Information Services (CIS) supplies real-time information on construction projects from early planning to on-site stages. For more information, visit [cisureland.com](http://cisureland.com) or call 01-2999200