

Development Land Q2 2023

€130m

Turnover Recorded, H1 2023

YOY %
Change



45

Assets Sold, H1 2023



€2.9m

Average Deal Size, H1 2023



Annual % Change

	2022 (A)	2023 F	2024 F
GDP	12.0	5.6	4.1
Personal Consumption	6.6	3.9	3.8
Modified Domestic Demand	8.2	2.1	2.5
Unemployment Rate	4.4	4.4	4.5
HICP	8.2	4.9	2.5

Source: CSO, Department of Finance Forecasts for 2023 and 2024

*Includes the Greater Dublin Area of Dublin, Kildare, Meath and Wicklow, regional centres of Cork, Galway, Limerick and other significant transactions.

IRISH DEVELOPMENT LAND ACTIVITY WELL DOWN IN H1 2023:

Deal flow drops below levels seen during COVID pandemic. Activity in the development land segment was subdued in the first half of the year with approximately €130 million worth of transactions across 45 deals, down 67% from €390 million in the first half of 2022 and below levels seen during the height of the COVID pandemic in 2020.

Finance and construction costs remain key short-term constraints to development activity. The European Central Bank continued to increase interest rates in the first half of the year but inflation rates have eased of late, providing some optimism that interest rates are close to peaking and indeed at the time of writing investors are pricing in modest interest rate cuts in 2024. Meanwhile construction costs are beginning to even out now but at elevated levels compared to recent years.

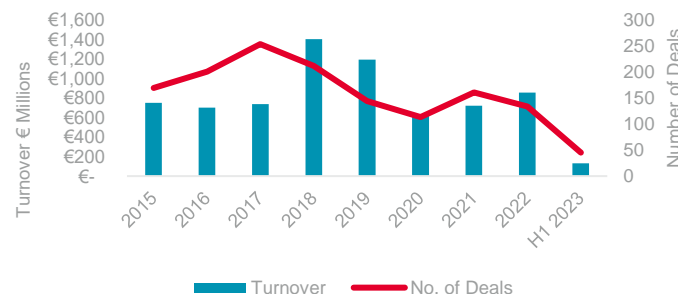
Housing fundamentals remain solid even as inflation rates ease. Although Irish rates of rent and price inflation slowed in the first half of 2023 as interest rates have climbed, the fundamental picture for housing markets still remains positive thanks to continued low unemployment, solid wage growth and a tight housing supply-demand picture. These factors meant residential deals were still the key driver of activity in the first half with 28 deals occurring in the period amounting to almost €83 million and four of the top five deals in the period being residential ones.

The Greater Dublin Area remains popular. Dublin and its hinterland remained a popular geographic location for residential deals in the first half, the purchase of a site with full planning permission for 423 units at Rockbrook in Sandyford by the Comer Group marking the largest transaction in the period. Indeed approximately 63% of all residential deals were in the Greater Dublin Area (GDA). However, a number of deals outside Dublin were also noteworthy, particularly the purchase of a 25 acre site near Bishopstown in Cork by Bridgewater Homes and the acquisition of a local 54 acre site by Wexford County Council.

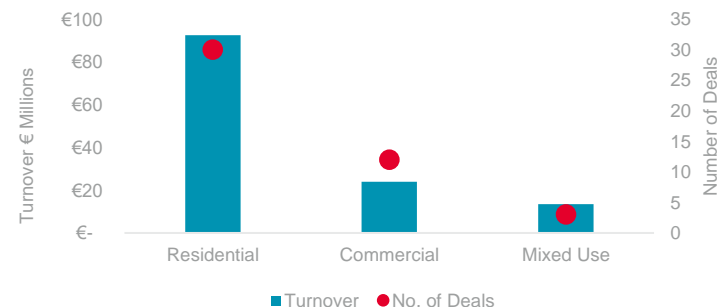
Commercial development site deal activity was weak in the first half of 2023 with just under €24 million in deals taking place, the largest of which was the purchase of a 235 acre landbank off the M4 motorway in Celbridge Co. Kildare for €5.9 million. Cushman and Wakefield handled this transaction for lands which offer strong rezoning potential, having previously had planning permission for a business park.

Paul Nalty, Associate Director, Development Land at Cushman and Wakefield notes: *“The first half of 2023 was a sluggish period for development land sales, hindered by continued increases in Euro area interest rates and still elevated construction costs. However, the longer-term picture for well-located residential and commercial developments still appears robust. We are optimistic deal volumes will improve in the second half of the year as the current stiff economic headwinds begin to abate, helped by continued demand for land purchases from private investors which are largely fuelled by exits from public bodies.”*

DEVELOPMENT LAND MARKET ACTIVITY*, 2015 – H1 2023



SECTOR BREAKDOWN BY TURNOVER, H1 2023

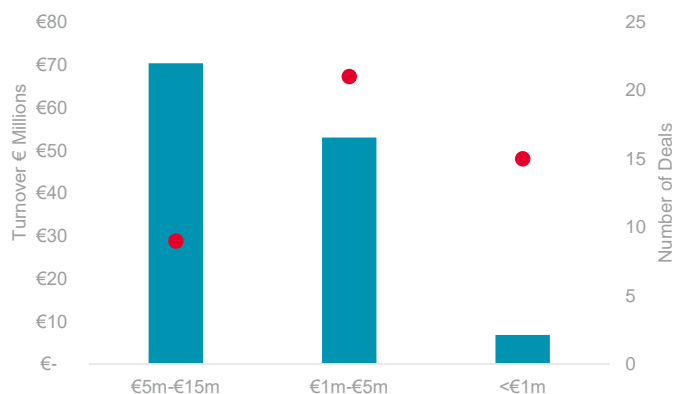


Development Land Q2 2023

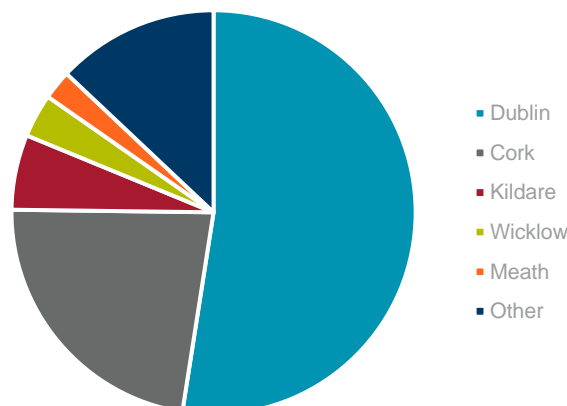
TOP TRANSACTIONS, H1 2023

PROPERTY LOCATION	ASSET TYPE	PLANNING PERMISSION	PURCHASER	PRICE (APPROX. €)
Rockbrock, Sandyford, Dublin 18	Residential	Yes	The Comer Group	€13m
Knocknacarra, Galway	Residential	Yes	Cedarglade	€9m
Ardarostig, Bishopstown, Cork	Residential	Yes	Bridgewater Homes	€10.4m
Ballynagee, Wexford	Residential	Yes	Wexford Co.Co.	€7.5m
North King Street, Dublin 7	Mixed Use	No	Confidential	€7.4m

ACTIVITY BY LOT SIZE, VALUE v VOLUME, H1 2023



TURNOVER BY LOCATION, H1 2023



ABOUT CUSHMAN & WAKEFIELD

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 52,000 employees in over 400 offices and approximately 60 countries. In 2022, the firm had revenue of \$10.1 billion across core services of property, facilities and project management, leasing, capital markets, and valuation and other services.

To learn more, visit www.cushmanwakefield.ie

Contact Details

TOM McCABE

Chief Economist, Head of Research & Insights Ireland,
Tel: +353 (0) 1 639 9244
tom.mccabe@cushwake.com

DAVID WALLS

Research & Insights Ireland
Tel: +353 (0) 1 639 9288
david.walls@cushwake.com

BRENDAN SMYTH

Director,
Head of Development Land
Tel: +353 1 639 9383
brendan.Smyth@cushwake.com

PAUL NALTY

Associate Director,
Development Land
Tel: +353 1 639 9320
paul.nalty@cushwake.com

CONFIDENTIALITY CLAUSE

This information is to be regarded as confidential to the party to whom it is addressed and is intended for the use of that party only. Consequently, and in accordance with current practice, no responsibility is accepted to any third party in respect of the whole or any part of its contents. Before any part of it is reproduced, or referred to, in any document, circular or statement, our written approval as to the form and context of such publication must be obtained.

cushmanwakefield.ie