



Swords Road

Dublin 9

EXCELLENT RESIDENTIAL DEVELOPMENT OPPORTUNITY
FULL PLANNING PERMISSION FOR 358 RESIDENTIAL UNITS



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An Exceptional Residential Development Opportunity

Savills is pleased to present an outstanding Development Opportunity on the Swords Road, Dublin 9, offering investors and developers an exciting opportunity to acquire significant scale.

The property extends to approx 2.73 ha (6.75 acres) and benefits from full planning permission for 358 residential units and 809 sq m (8,708 sq ft) of commercial accommodation.

Fenton and Associates Architects have also carried out a feasibility study on the current planning permission utilising the new Apartment Design Guidelines adopted in March 2018 which shows there is capacity for an additional 50+ number of apartments without necessarily increasing the gross floor area (subject to planning permission).

This sale offers one of the few opportunities in Dublin to acquire a strategically located site for a large-scale residential development.

DEMAND FOR PRIVATE RENTED ACCOMMODATION



Additional PRS households in Dublin since 2012



44% of Ireland's urban dwellers live in Dublin



Almost 1/4 of all households in Dublin now rent privately



Lack of institutional Landlords – 85% of landlords in Ireland own two or fewer properties

STRONG GROWTH ACROSS LEADING INDICATORS



GDP currently rising by 7.8% per annum



Ireland continues to experience the fastest rate of economic growth in the EU



66,800 net new jobs added in the last twelve months



Population growing by over 50,000 persons per year

TIGHT RENTAL MARKET CONDITIONS



Fewer than 1,250 properties available to rent in Dublin in April 2018 (Daft.ie)



Significantly below natural vacancy rate of 5.3%



Average rental growth of 7.9% per annum is expected on new lets



Near-record low vacancy rate in Dublin of 1.4%

NEW APARTMENT DESIGN STANDARDS - MARCH 2018



BUILD TO SELL

Car parking 1 car/unit + 1 visitor space/3-4 units

BUILD TO RENT

Minimal car parking close to public transport



BUILD TO SELL/ BUILD TO RENT

1 bike space per bed space + 1 per 2 units for visitors



BUILD TO SELL

Max 12 apartments per core

BUILD TO RENT

No restriction on apartments per core



BUILD TO SELL

Dual aspect 50% on suburban

BUILD TO RENT

Minimum floor areas clarified and majority of units do not have to be 10% larger.



BUILD TO SELL

Majority of units need to be 10% larger than the minimum

BUILD TO RENT

Dual aspect reduced to 33% close to public transport



BUILD TO SELL

Various restrictions on studio and 1 bed apartments.

BUILD TO RENT

No restriction on the mix of units

RESIDENTIAL SALE MARKET



Currently, house prices in Dublin are rising by over 12% per annum



Forecasts are for prices in the capital to increase by 6 - 10% per annum in both 2018 and 2019



Official estimates show housing completions in Dublin totalled 6,099 in 2017, up 44% on 2016 (4,234)



In excess of 10,000 new build completions in Dublin per annum required to meet demand

MINIMUM APARTMENT SIZE

Type	Size
Studio	37 sq m
1 Bed	45 sq m
2 Bed (3 Person)	63 sq m
2 Bed (4 Person)	73 sq m
3 Bed	90 sq m

The Government reported these changes will reduce construction costs by up to 15%.

Location

The property is located on the Swords Road, Dublin 9 which is a predominantly residential north Dublin suburb.

The property is located on the east side of the Swords Road approximately 900m north of Drumcondra village and 200m south of the Collins Road junction in Whitehall within close proximity to Dublin City University (700m).

This location offers excellent access to the city and motorway network being 4km north of the City Centre and 2km south of the M50 motorway. The M50 connects the subject property to all the main national roads, Dublin Port and the Airport in minutes.

In terms of public transport, the site is well served by ten Dublin Bus services along the OQC to the front of the site. Furthermore, the new Metro North subway is planned to stop at Griffith Avenue approximately 1.5km from the property further increasing its accessibility.

The site benefits from a neighbourhood centre being located directly opposite the property and Omni Shopping Centre, Santry also within close proximity.

Distance from property:



DUBLIN CITY



DUBLIN BUS QBC



DUBLIN AIRPORT



DCU



DRUMCONDRA



METRO NORTH
(PROPOSED)



OMNI
SHOPPING CENTRE



ST PATRICK'S
COLLEGE

'Swords Road is situated in the highly accessible Dublin 9 location with a Dublin Bus QBC on its doorstep offering ten Dublin Bus services and access to the city centre in approximately 20 mins'



The Asset

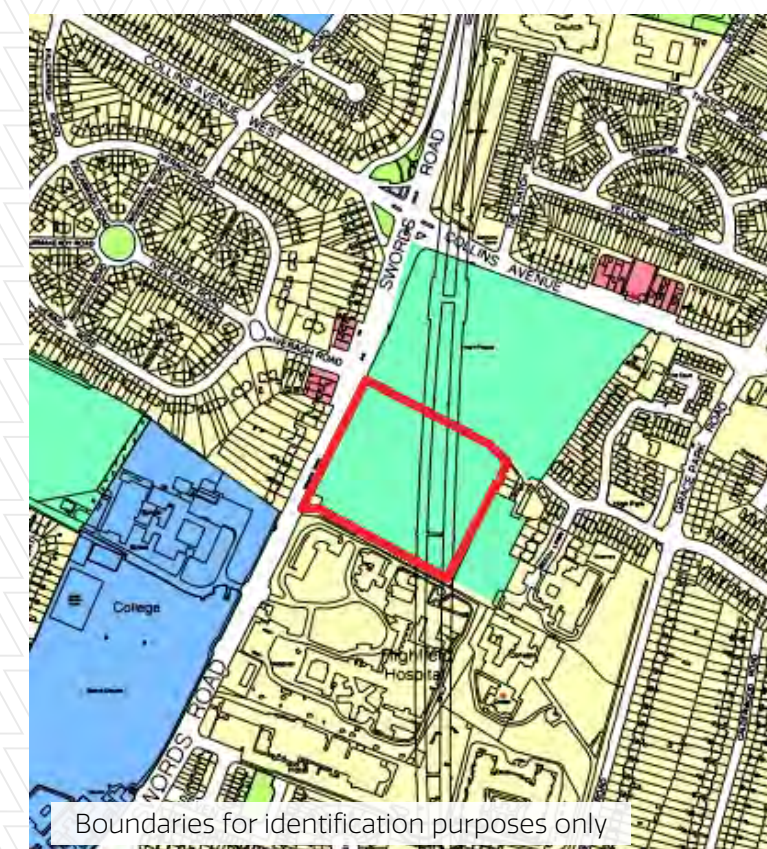
The subject property comprises a greenfield development site with full planning permission for a large predominantly residential scheme comprising 51 one bed apts, 240 two bed apts and 67 three bed apts on the Swords Road, Dublin 9. The planning also provides for 809 sq m (8,708 sq ft) of commercial accommodation comprising three retail units and a crèche.

The property is generally flat throughout, regular in shape and extends to 2.73 ha (6.75 acres). Access to the site is from the Swords Road.

The property is bounded by Highfield Hospital to the south, a greenfield site/GAA pitch to the north, residential dwellings to the east and the Swords Road to the west.

Zoning

The property is designated as Z12 in the current Dublin City Development Plan (2016-2022). As per the Development Plan, the policy's objective is 'to ensure that existing environmental amenities are protected in the predominantly residential future use of these lands'.



Boundaries for identification purposes only

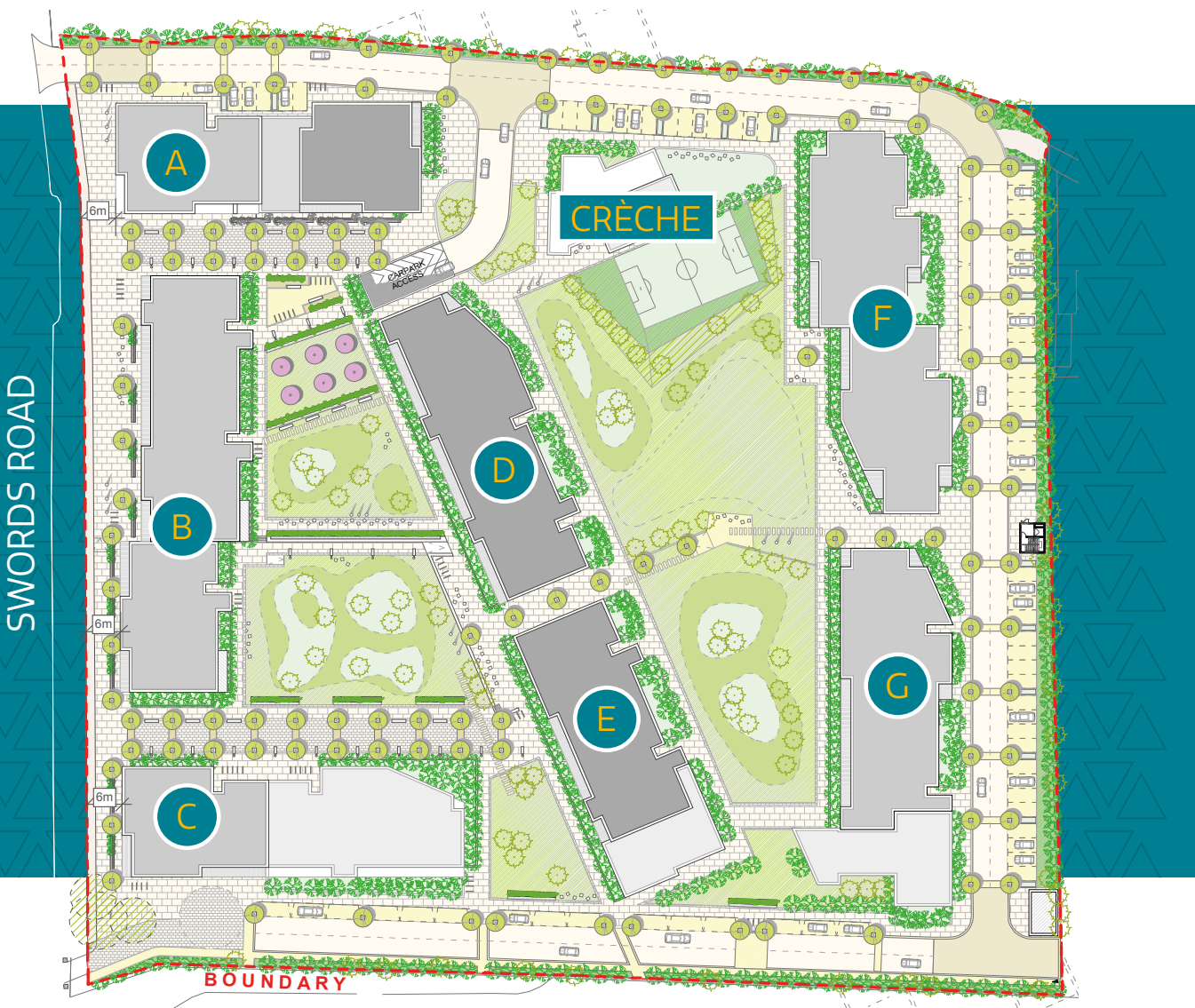


Boundaries for identification purposes only



Swords Road
Dublin 9

Site Plan



Planning

Permission was granted by An Bord Pleanála on 22nd December 2011 (under Planning Reg. Ref.s 3269/10 and PL29N.238685) for 358 apartments accommodated in 7 no. 5-7 storey blocks of apartments (identified as blocks A-G on site plan).

The breakdown of the units is as follows;

Unit Type	Amount of Units
1 Bed Apartment	51
2 Bed Apartment	240
3 Bed Apartment	67
Total	358

The permission also provides for a commercial element on the ground floor of Block A, (i.e. 3 no. units with a total floor area of 344 sq m) which is located adjacent to the entrance to the site, fronting onto Swords Road.

A crèche is also included within the permitted scheme, i.e. a two storey building of 465 sq m, located in the northern end of the site, adjacent to open space.

The permission provides for vehicular access from Swords Road with 105 no. surface car parking spaces and 413 no. underground spaces in the basement car park.

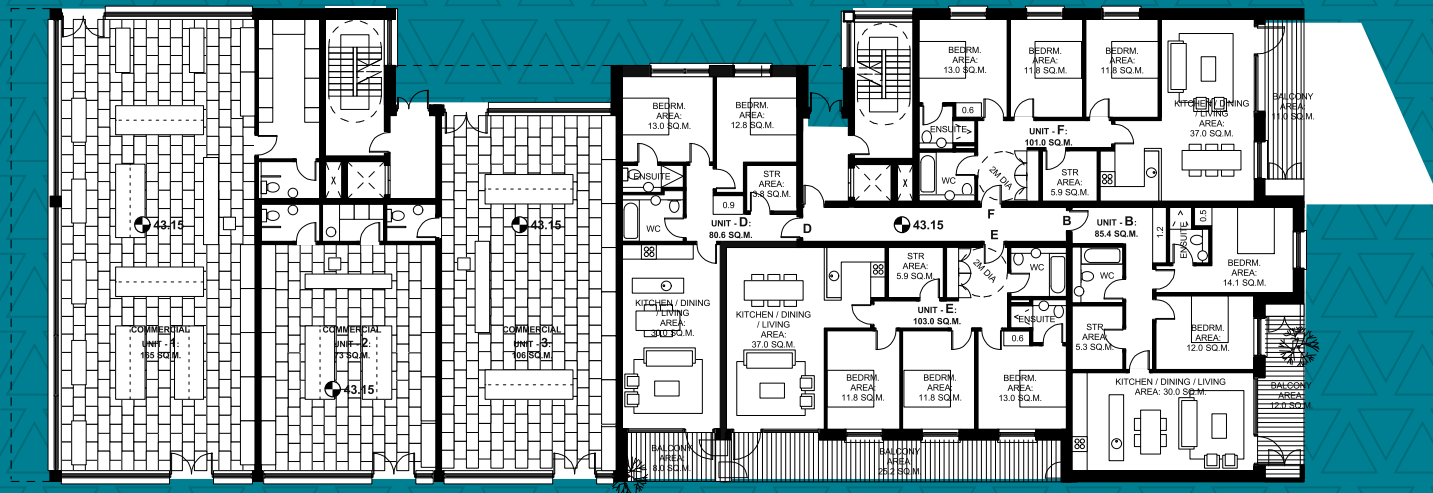
The duration of this permission has been extended to the 12th of February 2022.

‘The property extends to 2.73 ha (6.75 acres) and benefits from full planning permission for 358 residential units and 809 sq m (8,708 sq ft) of commercial accommodation’

Schedule of Accommodation

Block	Description	No. of Units	Floor Area (sq m)	Floor Area (sq ft)
A	2 bed apartment	30	80 – 85.4	861 – 919
	3 bed apartment	13	101 – 103	1,087 – 1,109
	Commercial Unit	1	165	1,776
	Commercial Unit	1	73	786
	Commercial Unit	1	106	1,141
Total A		43 no. apts & 3 no. Commercial Units		
B	2 bed apartment	55	80.6 – 85.4	868 – 919
Total B		55 no. apts		
C	1 bed apartment	4	52	560
	2 bed apartment	28	80 – 85.4	861 – 919
	3 bed apartment	8	103 – 104.7	1,109 – 1,127
Total C		40 no. apts		
D	1 bed apartment	7	52	560
	2 bed apartment	35	80.6 – 85.4	868 – 919
	3 bed apartment	14	103 – 104.7	1,109 – 1,127
Total D		56 no. apts		
E	1 bed apartment	8	52 – 55.2	560 – 594
	2 bed apartment	38	80.6 – 85.4	868 – 919
	3 bed apartment	4	103	1,109
Total E		50 no. apts		
F	1 bed apartment	18	52 – 55.2	560 – 594
	2 bed apartment	30	80 – 85.4	861 – 919
	3 bed apartment	12	103 – 112.8	1,109 – 1,214
Total F		60 no. apts		
G	1 bed apartment	14	52 – 55.2	560 – 594
	2 bed apartment	24	80.6 – 85.4	868 – 919
	3 bed apartment	16	103 – 109	1,109 – 1,173
Total G		54 no. apts		
Crèche	Crèche		465	5,008
Total		358 Apartments, 3 Commercial Units & Crèche	31,108.3	334,847

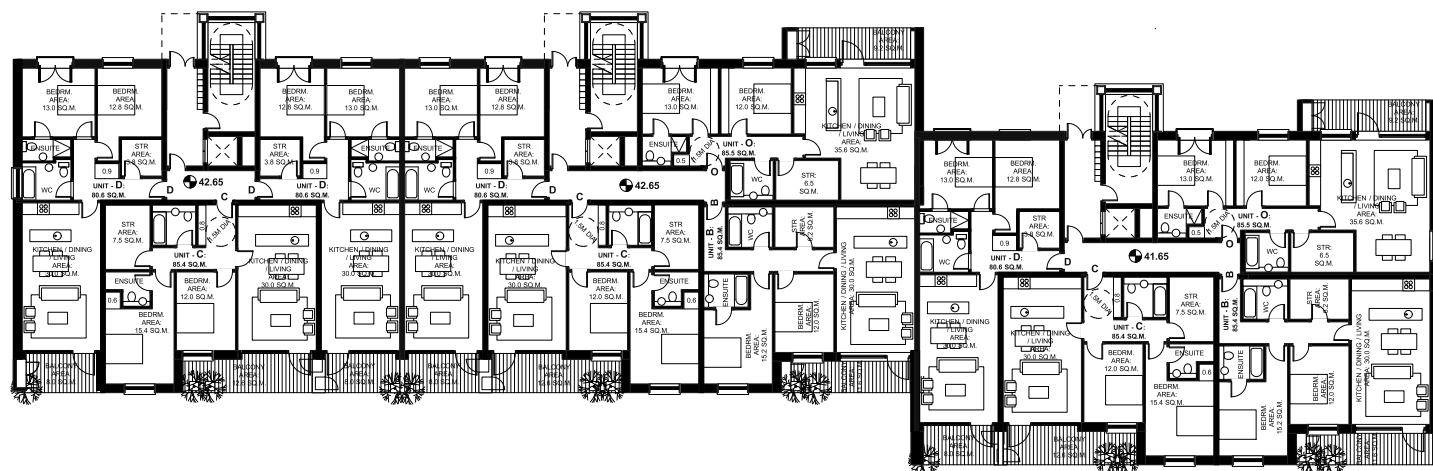
Block A Plan Typical Floor Plan



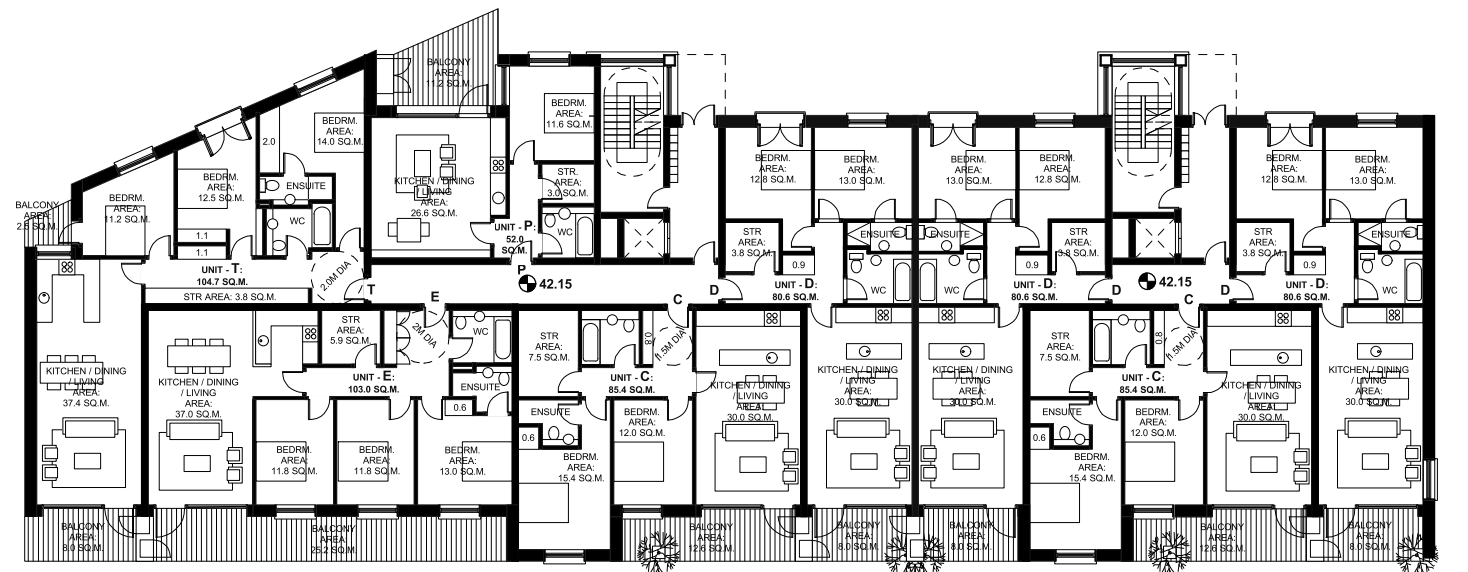
Block C Plan Typical Floor Plan



Block B Plan Typical Floor Plan



Block D Plan Typical Floor Plan



'This sale offers one of the few opportunities in Dublin to acquire a strategically located PRS scheme with FPP for a large-scale development combined with the strong demand for rental properties in the current market'

Block E Plan Typical Floor Plan



Block G Plan Typical Floor Plan



Block F Plan Typical Floor Plan





New Apartment Design Standards – March 2018

Minimum Floor Areas:

Type	Size
3 Bed	90 sq m
2 Bed (4 person)	73 sq m
2 Bed (3 Person)	63 sq m
1 Bed	45 sq m
Studio	37 sq m

Build to Sell	Build to Rent
Car parking 1 car/unit + 1 visitor space/3-4 units	Minimal car parking close to public transport
1 bike space per bed space + 1 per 2 units for visitors	1 bike space per bed space + 1 per 2 units for visitors
Max 12 apartments per core	No restriction on apartments per core
Various restrictions on studio and 1 bed apartments	No restriction on the mix of units
Majority of units need to be 10% larger than the minimum	Minimum floor areas clarified and majority of units do not have to be 10% larger
Dual aspect 50% on suburban	Dual aspect reduced to 33% close to public transport

- The Government reported these changes will reduce construction costs by up to 15%.

Feasibility Report

Fenton & Associates – Architects, Planners & Development Consultants carried out a feasibility study considering the recently approved Sustainable Urban Housing: Design Standards for New Apartments Guidelines to ascertain if the permitted development can be modified to include an increased amount of units.

The current permission provides for 358 no. units comprising of:

- 51 no. 1 bed units (14%)
- 240 no. 2 bed units (67%)
- 67 no. 3 bed units (16.5%)

While considering the revised scheme on a 'build to sell' basis under the new guidelines the feasibility study provides for a total of 410 no. units comprised of:

- 168 no. 1 bed units (41%)
- 214 no. 2 bed units (52%)
- 28 no. 3 bed units (7%)

On a 'build to rent' basis the feasibility study provides the potential for 408 units comprising of:

- 152 no. 1 bed units (37%),
- 202 no. 2 bed units (50%) and
- 54 no. 3 bed units (13%)

As such there is potential to increase the amount of units by approximately 50-52 units (14% - 15%) under the new guidelines subject to planning permission.

We believe there may be further potential to increase the density by incorporating a number of studio apartments. Furthermore, there is potential to reduce the amount of car parking within the scheme under the build to rent apartment guidelines.

The feasibility study is available upon request.



Market Commentary

Economic Overview

Ireland continues to experience the fastest rate of economic growth in the EU with total output now rising at an annual rate of 7.8%. Jobs growth remains the catalyst for this expansion. Close to 67,000 net new jobs have been created in the last twelve months and total employment is set to surpass its boom-time peak before the year is out.

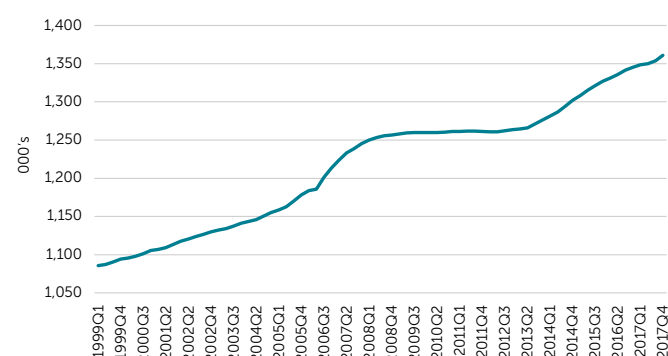
While uncertainties hanging over the global economy, such as Brexit and US trade and tax policies, still persist, strong economic momentum is set to continue with consensus GDP growth forecasts for Ireland of 4.1% for 2018 and 3.4% for 2019.

Residential Rental Market

Demand for rental property is dictated by two factors, population growth and the proportion of the population that chooses to rent privately over competing tenure types such as owner-occupied housing. According to daft.ie, the average monthly rent for a 1-bed apartment in Dublin 9 was €1,351 at the end of 2017.

Latest estimates show that Dublin's population has grown very rapidly in recent years. A net additional 97,300 persons have been added to the headcount in the last five years and the population is currently expanding by around 15,500 persons per annum (see Figure 1).

Figure 1: Population of Dublin



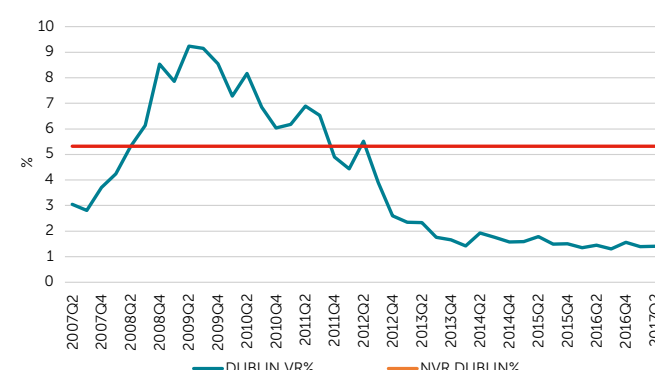
In the early 2000s, approximately 12% of households in Dublin rented privately. During this period private renting was generally considered a secondary tenure that was mainly for young people transitioning towards a longer-term goal of home ownership. Since 2012 strong house price inflation has made homeownership less affordable and, along with changing attitudes to renting, the proportion of renters has doubled in the space of 15 years.

Currently, just under 120,000 households are renting privately in Dublin, making up almost one-quarter (24.1%) of all households in the capital.

While strong population growth led to the formation of 12,698 net additional households in Dublin between the Census years of 2011-2016, housing construction failed to keep up. In total just 3,088 additional housing units were delivered in the capital over the same period. Notwithstanding the recent pick-up in house building activity, once we factor in demand implied by population growth, along with buildings required to replace dilapidated units and to compensate for the fact that we haven't built enough homes for eight years, it is clear that Dublin's housing market remains undersupplied.

Our analysis shows that vacancy in Dublin's private rented sector (PRS) has been below 2% for almost four years and is currently just 1.41% (see Figure 2). This is significantly below the Natural Vacancy Rate (NVR) which we econometrically estimate to be 5.3% in the capital. Theory suggests that if the actual vacancy rate lies beneath the NVR the market is undersupplied and rents will be rising, and that's exactly what is happening.

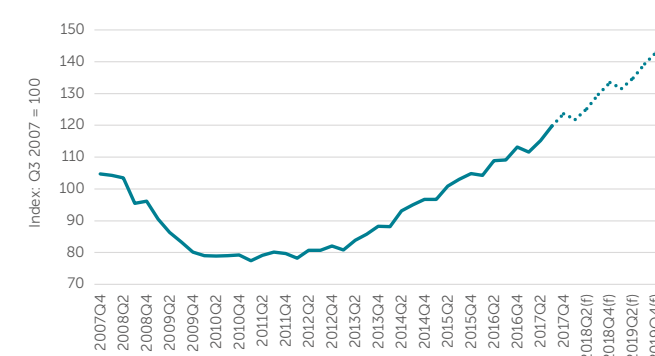
Figure 2: Vacancy Rate in Dublin's Private Rented Sector



'With Dublin rents increasing in excess of 5% per annum and sales prices increasing in excess of 12% year on year, the purchaser will have the opportunity to acquire this strategic development opportunity with the benefit of a performing property market'

Average residential rents in Dublin are currently rising by 5.2% per annum. However, average rental growth of 7.9% per annum is expected on new lets from the nine quarters Q1 2018 – Q1 2020.

Figure 3: Residential Rents Forecast – Dublin New Lets



Residential Sale Market

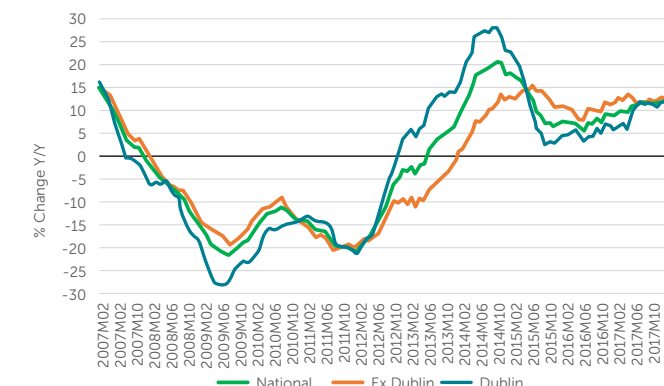
In recent years we have pointed to the illiquidity of the Irish housing market. However, it now appears to be turning a corner. Independent of other favourable trends in the economy, the combined impact of Help-to-Buy and an easing of the mortgage lending rules has led to a marked pick-up in lending activity and increased affordability at a price-point that is high enough to stimulate a greater flow of new homes into the market. This is feeding through to a higher run-rate of housing market transactions with sales volumes up almost 9% in the last twelve months. The recent announcement of a revamped local authority mortgage scheme and the release of state land for housing construction will further assist in the return of a more normal rate of transactions.

Property prices are ultimately driven by the balance between housing supply and demand. At a most basic level demand depends on population growth. As previously mentioned, Dublin's population is currently expanding by around 15,500 persons (1.2%) per annum. This implies a need for about 6,000 additional dwellings a year just to meet the demand from population growth. However, when we factor in buildings required to replace dilapidated units, and to compensate for the fact that we haven't built anywhere near enough units in the last eight

years, the current requirement is quite a bit higher. ESB connections data indicate that around 6,000 properties were constructed in the capital in 2017. However, it is now well understood that this metric overstates housing completion, and the reality is that Dublin's housing market remains undersupplied.

With too few units being built to meet demand, there is strong competition for the limited number of available properties. The net result is competitive bidding leading to price inflation. Official CSO statistics show that house prices nationally are rising by 13.0% y/y. In Dublin, house price inflation (HPI) has accelerated from 6.7% twelve months ago to 12.7% currently (see Figure 4).

Figure 4



The price of second hand properties is still rising faster than that of new houses. But there has been a sharper acceleration in the rate of new houses inflation since the Help-to-Buy measure was introduced. Changes to the macro prudential regime are also adding to buyers' firepower. Latest data show that the average loan approval for FTBs has risen from €193,750 to €214,730 in the last year (on a twelve-month rolling basis).

Given the current supply / demand imbalance, this injection of additional bidding power was bound to drive up values, and that is what is now happening.



Swords Road

Dublin 9

Tenure

We understand the property is held freehold.

Title

A title summary is available in the property data room.

BER Details

Exempt.

Viewings

Viewings strictly by appointment and to be arranged with the sole selling agent.

Data Room

Further information is attainable through our dedicated web based data room.

www.swords-road.com

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