



Gerry Mullins  
Park Developments  
The Herbert Building  
The Park  
Carrickmines  
Dublin 18

29<sup>th</sup> August 2016

Dear Gerry,

Further to your request we now attach pricing for the Phase 1 site at Clay Farm. We have also compiled a market summary including both an economic overview along with an analysis of the Dublin property market.

#### Supply & Demand

Dublin's population is currently growing by over 21,000 persons per annum. This pronounced growth is continuing to apply upward pressure on housing demand. It is estimated that over 20,000 new units are required across the country each year to keep up with the growing demand, with approximately 8,000 of these dwellings needed in Dublin.

In 2015, there were 12,541 housing completions. Of this, 2,891 were in Dublin. While there are tentative signs that the supply pipeline is beginning to revive, this undershoot will not be resolved in the medium term and, with only 8,844 commencement notice in the year to March (3,329 of which in Dublin), the market will remain undersupplied for the foreseeable future. This lack of supply will cause both the owner occupier and rental markets – which are already very tight – to tighten further and will put upward pressure on both prices and rents.

#### Prices

In 2015, we saw a decoupling of the Dublin and regional markets. While the annual rate of growth in Dublin slowed as we moved through the year, prices in the commuter belt were driven higher by displaced demand from the capital. However, our view remains that the budget constraints that drove house hunters out of town are likely to ease gradually over time. In addition, the option of moving out and commuting has been made relatively less attractive by recent strong price growth in commuter locations. These factors should result in a more geographically balanced rate of HPI in the second half of 2016. Indeed, signs of this are beginning to emerge. According to the CSO, annual house price growth in Dublin is accelerating, while outside the capital growth is easing.

#### Rental Market

Data from the Private Residential Tenancies Board (PRTB) show that national rents rose by 8.6% in the year to Q1, with rents in Dublin growing by 8.7%. Focusing on the capital, the mortgage lending

restrictions will require most buyers to save a larger deposit which could delay their entry into owner occupation, thus extending their stay in the private rented sector. In short, this is likely to support further strong rental growth. Our view is that cash-rich investors will continue to enter the market in search of a higher return on capital.

### Outlook

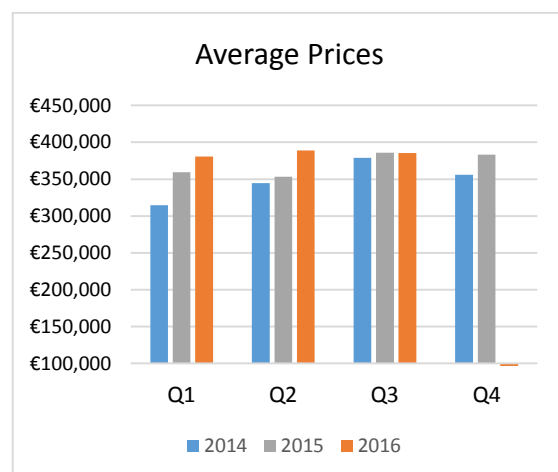
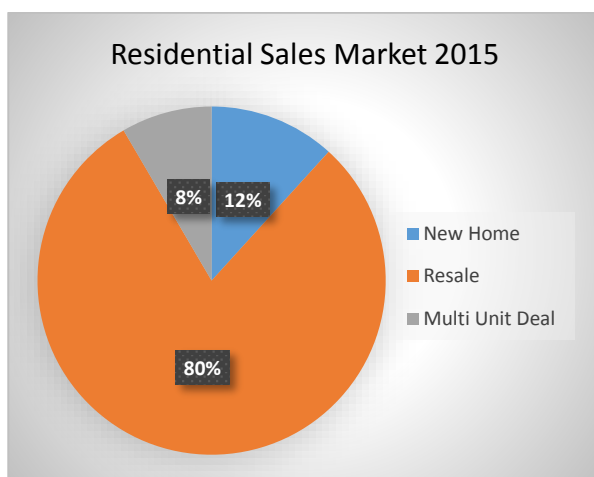
While the ultimate impact of Brexit is unlikely to be understood for some time, we can already anticipate some effects on the Irish housing market. First and foremost, according to various economic analyses, Brexit will lead to slower economic growth here. This suggests weaker jobs and earnings growth which, all else equal, should lead to slower house price inflation than would otherwise have been the case. Weaker Sterling – which was immediately evident following the Brexit announcement – may also impact negatively as this makes it more expensive for UK buyers to purchase properties in Ireland. This may particularly affect Irish people seeking to return home from Britain.

However there are also potential positives. Interest rates in the Euro Area are now likely to remain low for longer than previously expected which will make buying homes more affordable for owner occupiers who have sufficient savings to access mortgage credit. In addition the prospect of prolonged low interest rates should continue to attract investors into bricks in mortar because of lower expected returns on alternative assets like deposits and bonds.

Overall, however, the biggest impact may come from added uncertainty. Buying a home is one of the biggest financial commitments that most families ever enter into, and the imponderables associated with any unprecedented event like Brexit simply introduce a further layer of uncertainty.

### Residential Market Commentary – Dublin

There were in excess of 14,600 residential transactions in Dublin throughout 2015 equating to a value of approximately €5.32 billion. The volume of transactions increased by approximately 6.6% from the previous year. New homes sales represented approximately 11.5% of the overall Dublin residential market in 2015 with approximately €625 million worth of sales while multi-family investment transactions accounted for 8.5% of the value market €448 million.





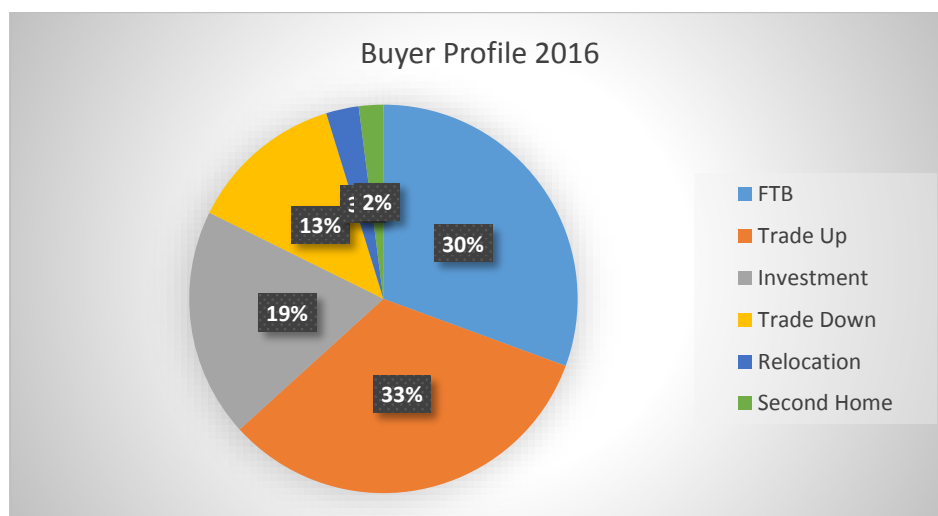
The average unit price in Dublin in 2015 was €356,400, however when multi-family transactions are excluded, this figure rises to €371,200.

Although house price inflation is evident in the first half of 2016 when compared to the same period the previous year, inflation appears to be confined mainly to the lower end of the market below €250,000. Inflation can also be seen above €1 million euro however the sample size at this end of the market is small with approximately 150 unit sales and is therefore more likely to fluctuate throughout the year. The median price of a unit in Dublin in H1 of 2016 is €299,000 up 6.5% on the previous year.

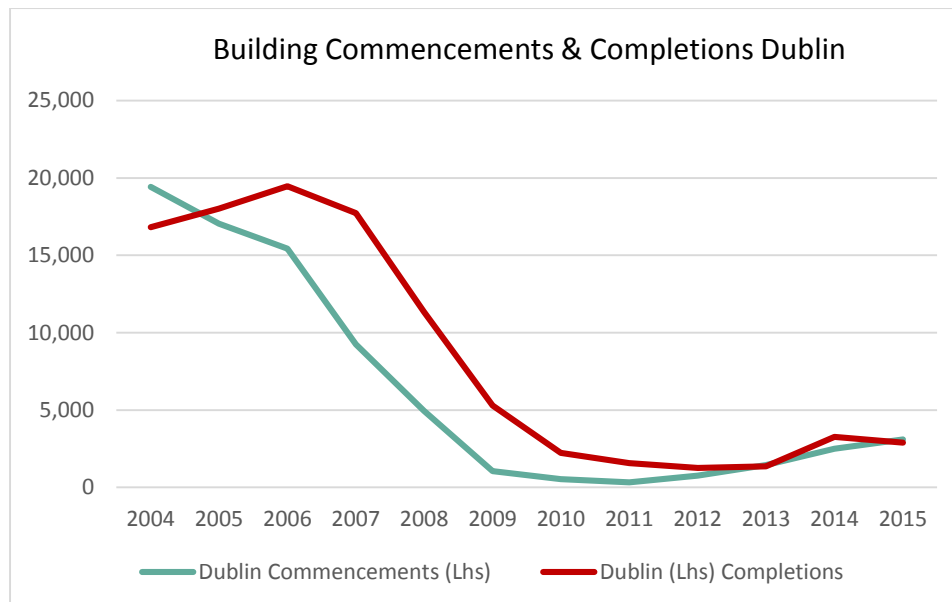
Price Range	Ave Prices H1 2015	Ave Prices H1 2016	Difference
€0 - €250,000	€178,331	€184,491	3.5%
€250,000 - €500,000	€346,691	€352,948	1.8%
€500,000 - €750,000	€612,600	€606,752	-1.0%
€750,000 - €1,000,000	€862,787	€853,666	-1.1%
€1,000,000 - €2,500,000	€1,400,375	€1,477,992	5.5%
€2,500,000 - €5,000,000	€3,240,249	€3,176,346	-2.0%
<b>Total</b>	<b>€356,125</b>	<b>€384,963</b>	<b>8.1%</b>

The vast majority of unit transactions to date this year have occurred below €500,000 with just over 80% of activity at this level, while 37% of our buyers to date have been Cash.

In terms of the most active buyer type at present in the market at Savills at present, we are seeing a good mix of First Time Buyers, Traders Up and Investors;



Building commencements showed no dramatic signs of improvement to the end of last year with a moderate increase in completions expected this year. Savills believed that upwards of 8,000 new units per annum are required in Dublin with significant built up shortage in supply to date.

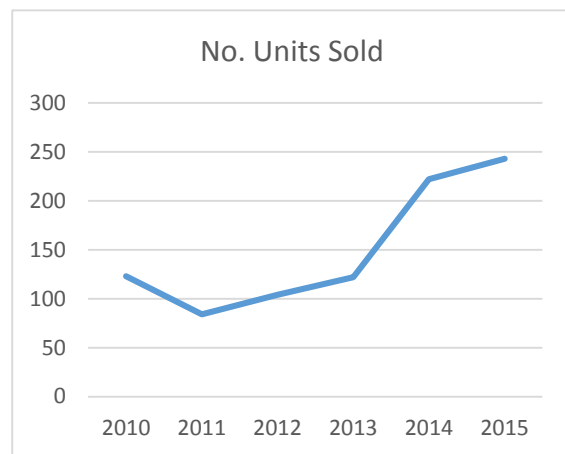
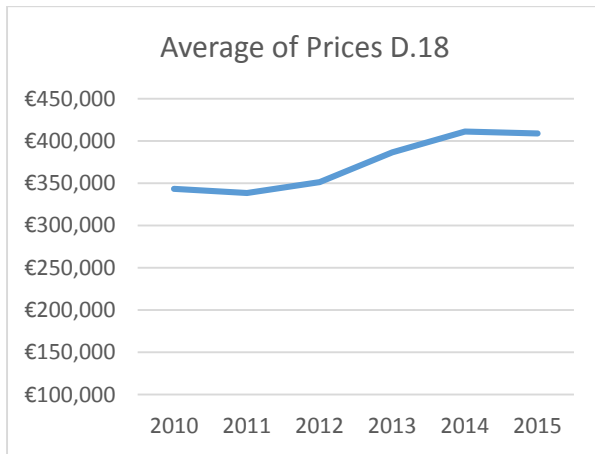


### Local Market Commentary – Dublin 18

- The subject site falls within the Regional Authority of Dun Laoghaire Rathdown which has a total population of 217,300 an increase of 5.3% since 2011.
- Located just outside the M50 the site is within the townland of Kilgobbin.
- The development will be very well served in terms of public transport benefitting from both The Gallops and Leopardstown Valley Luas stops.
- The M50 is also within moments of the site while Dublin City centre is an easy commute.

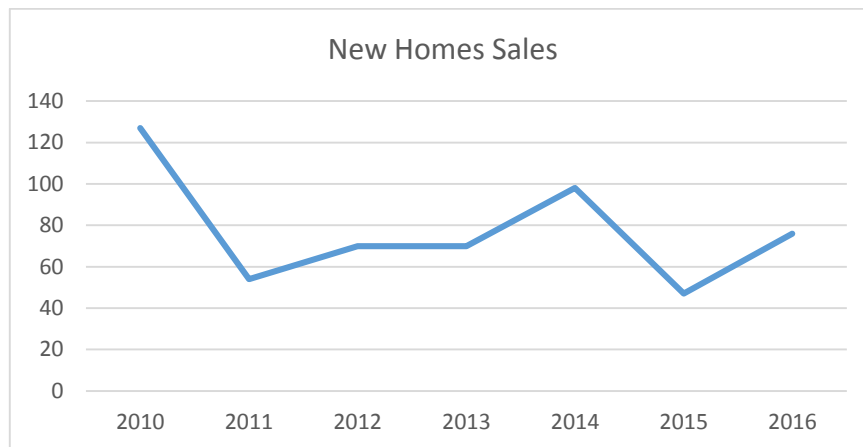
We have analysed the Dublin 18 property market (excluding Foxrock and all unit sales over €1 million) with the following findings;

- Average unit price in the first half of 2016 is €417,000 an increase of 1.6% on the same time last year
- Total market value in the first half of 2016 was €128 million an increase of 28%
- The volume of transactions has increased by 26% year on year
- Average prices have been increasing since 2011 although appear to have remained stable from 2014 and 2015 with no price increase recorded



### New Homes Market

In terms of new home product, the Dublin 18 area has been well supplied with new units since 2010. There was a significant drop in the completion of new homes sales in 2015 with just 8% of the product sold being new, however the supply appears to have picked up again this year with 21% of all sales being new year to date (Dublin average YTD is 14%).



### Clay Farm Pricing

#### Phase 1 (a) Apartments

Apartment Block E9	1 bed	NIA	Sq ft	€psf	Unit Price	Total
Level 00	1	55.8	600.6	€358	€215,000	€215,000
Level 01	1	55.8	600.6	€375	€225,000	€225,000
Level 02	1	55.8	600.6	€383	€230,000	€230,000
Level 03	1	55.8	600.6	€391	€235,000	€235,000
Level 04	1	60.5	651.2	€384	€250,000	€250,000
<b>Total / Averages</b>	<b>5</b>	<b>283.7</b>	<b>3053.7</b>	<b>€378</b>		<b>€1,155,000</b>



Apartment Block E9	2 bed	NIA	Sq ft	€psf	Unit Price	Total
Level 00	4	86.7	933	€338	€315,000	€1,260,000
Level 01	4	86.7	933	€354	€330,000	€1,320,000
Level 02	4	86.7	933	€364	€340,000	€1,360,000
Level 03	4	86.7	933	€375	€350,000	€1,400,000
Level 04	3	87.6	943	€398	€375,000	€1,125,000
<b>Total / Averages</b>	<b>19</b>	<b>1650</b>	<b>17,756</b>	<b>€364</b>	<b>€340,263</b>	<b>€6,465,000</b>

Phase 1 (a) Houses

Type	Style	No.	Beds	NIA	Sq ft	€psf	Unit Price	Total
B2	2 storey house	12	3	108	1,157	€389	€450,000	€5,400,000
C2	2 storey house	27	3	110	1,179	€373	€440,000	€11,880,000
B2a	2 storey house	1	3	120	1,291	€356	€460,000	€460,000
D2	2 storey house	4	3	124	1,339	€351	€470,000	€1,880,000
C1	3 storey house	31	4	170	1,824	€290	€530,000	€16,430,000
D1	3 storey house	6	4	176	1,896	€290	€550,000	€3,300,000
		<b>81</b>			<b>120,289</b>	<b>€327</b>	<b>€485,802.47</b>	<b>€39,350,000</b>

Please note that above pricing is based on a volume sales approach with the release of 50 housing units in Phase 1 to be followed by a further release of 30 houses in Phase 2. This would then be followed by the release of the apartments at a later date. However if a different approach is required we can amend our pricing and strategy accordingly.

We have provided a full list of comparables in the appendices but if you require any further information please do not hesitate to contact me.

Yours sincerely,

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### Units Sold 2016

Address	Type	Beds	Sqft	Price d	PPSF	Date
63 St Patricks Park, Stepside	End	4	1195	€485,000	€406	02/06/2016
9 Alderman Road, Stepside	Semi	3	1249	€450,000	€360	24/06/2016
14 The Rectory, Enniskerry Road	Semi	3	1023	€395,000	€386	10/06/2016
10 Glencairn Green, The Gallops	Semi	3	1152	€486,000	€422	10/06/2016
1 Tapton, Murphystown Road	End	4	1399	€515,000	€368	26/05/2016
2 Tapton, Murphystown Road	Mid	4	1399	€480,000	€343	18/02/2016
6 Tapton, Murphystown Road	Semi	4	1399	€490,000	€350	18/03/2016
7 Tapton, Murphystown Road	End	3	1184	€430,000	€363	19/02/2016
30 Belarmine Close	Semi	3	1130	€390,500	€346	29/06/2016
3 Tapton, Murphystown Road	Mid	4	1399	€480,000	€343	04/04/2016
9 Glencairn Oaks, The Gallops	Semi	3	893	€495,000	€554	14/07/2016
4 Tapton, Murphystown Road	Mid	4	1399	€490,000	€350	18/03/2016
34 Glencairn Rise, The Gallops	Semi	3	1496	€570,000	€381	27/05/2016
5 Glencairn Grove, The Gallops	Semi	4	1378	€552,000	€401	11/03/2016
Fernhill Cottage, Kilgobbin Lane	Det	2	1765	€495,000	€280	09/08/2016
3 The Rise, Carrickmines Manor	Terrace	3	1259	€385,000	€306	24/06/2016
1 The Rise, Carrickmines Manor	Semi	3	1249	€400,000	€320	28/06/2016
10 Tapton, Murphystown Road	End	3	1184	€460,000	€389	08/04/2016

PPR Pricing Summary	
<b>No of units</b>	<b>11</b>
<b>Average Price</b>	<b>€468,441</b>
<b>Average PPSF</b>	<b>€384</b>

Address	Type	Beds	Sqft	Price	PPSF	Date
20 Weavers Hall	Apt	1	538	€210,000	€390	27/07/2016
24 Weavers Hall	Apt	1	538	€195,000	€362	22/02/2016
01 Larkspur Hall	Apt	1	570	€195,000	€342	29/06/2016
09 Larkspur Hall	Apt	1	570	€210,000	€368	23/06/2016
20 Larkspur Hall	Apt	1	592	€195,000	€329	22/04/2016
47 Weavers Hall	Apt	1	592	€210,000	€355	12/02/2016
11 Larkspur Hall	Apt	1	603	€210,000	€348	23/05/2016
24 Larkspur Hall	Apt	1	603	€200,000	€332	20/04/2016
39 Levmoos Avenue	Duplex	2	786	€255,000	€324	15/04/2016
33 Larkspur Hall	Apt	2	947	€300,000	€317	22/06/2016
32 Weavers Hall	Apt	2	1001	€310,000	€310	22/08/2016
35 Larkspur Hall	Apt	3	1163	€346,000	€298	24/03/2016
52 Weavers Hall	Apt	3	1184	€357,000	€302	17/06/2016

PPR Pricing Summary	
<b>No of units</b>	<b>13</b>
<b>Average Price</b>	<b>€245,615</b>
<b>Average PPSF</b>	<b>€337</b>

**Units Current for Sale**

Address	Type	Beds	Sqm	Sqft	Price	PPSF
24 Levmosse Avenue, The Gallops	Duplex	4	120	1292	€390,000	€302
7 Cruagh Court, Stepside, Dublin 18	Terrace	3	-	-	€344,950	-
7 Leopardstown Rise, Leopardstown, D 18	Detached	5	210	2260	€795,000	€352
12 Mount Eagle Drive, Leopardstown, D 18	Semi	3	81	872	€425,000	€487
2 Verner Lane, Belmont, Stepside, D 18	Detached	4	125	1346	€525,000	€390
Belarmine Woods, Stepside, Dublin 18	Terrace	3	104	1119	€395,000	€353
Belarmine Woods, Stepside, Dublin 18	Semi	4	156	1679	€495,000	€295
27 Glencairn Drive, Leopardstown Valley	Semi	4	116	1249	€450,000	€360
Belmont, Stepside, Dublin 18	Semi	4	134	1442	€475,000	€329
Belarmine Woods, Stepside, Dublin 18	Terraced	2	85	915	€345,000	€377

Pricing Summary	
<b>No of units</b>	<b>6</b>
<b>Average Price</b>	<b>€463,995</b>
<b>Average PPSF</b>	<b>€361</b>