

Build-to-Rent Justification Report

**Development at
Davitt Road,
Dublin 12
D12 C97T**

**On behalf of
Durkan (Davitt Road) Ltd**

December 2018



Planning & Development Consultants

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1 Introduction

We, Brock McClure Planning & Development Consultants, 63 York Road, Dún Laoghaire, Co. Dublin, have prepared this Report on behalf of Durkan (Davitt Road) Limited, 63 York Road, Dún Laoghaire, Co. Dublin, for a proposed residential development at the former Dulux factory site on Davitt road, Dublin 12. For clarity, the site is located within the administrative boundary of Dublin City Council.

This Report provides a supporting rationale for the provision of no. 265 build-to-rent units as part of the scheme presented to An Bord Pleanála.

As identified in the Departmental Apartment Guidelines, **‘Sustainable Urban Housing: Design Standards for New Apartments (2018)’** there is now a requirement for *‘a new format of residential accommodation has the potential to emerge as a distinct segment within the overall urban accommodation sector’*.

2 Built-to-Rent

It is interesting to note comment (November 2017) made by the Housing Minister, Eoghan Murphy when attempting to outline the Government’s strategy for increasing the range and numbers of dwelling types, which will also seek to address the ‘affordability’ issue which continues to restrict the housing market.

‘The Government Strategy for the Rental Sector calls for a major expansion of a properly funded and professionally managed rental accommodation sector. We need a mature build to rent market in our cities but we don’t have any guidelines for the sector.

So new statutory guidelines for planning authorities will be put in place for the built-to-rent sector, by December, and in the context of completion of the NPF, which will allow for a new type of apartment development, including the shared accommodation models that we see in other cities. If you go to cities in the UK like Manchester or London, and further afield, you will find new models of brilliantly designed, superbly executed centrally located and affordable managed rental accommodation. Like the Collective www.thecollective.co.uk providing thousands of badly needed and innovative accommodation solutions for the needs of a modern city and modern communities.

It is in this context that Durkan (Davitt Road) Ltd. now put forward their built-to-rent proposal and are confident that it is a required typology in this location.

3 Justification Report

The site enjoys a number of key locational advantages including its position relative to major employment centres in the surrounding area including St.James’ Hospital, Our Lady’s Children’s Hospital, Kilmainham Square, Inchicore Works, Crumlin shopping centre and Golden Bridge Industrial Estate.

In addition, the subject lands are located in close proximity to the Luas Goldenbridge stop (which is c. 50m to the north of the site).

Given the proximity of key centres of employment to the site – St. James’ Hospital, Golden Bridge Industrial Estate, Kilmainham Square and Our Lady’s Children’s Hospital – it can be concluded that there will be a consistent if not increasing workforce in this immediate area many of whom will need to be housed.

4 Justification for Requirement for Build-to-Rent at Subject Site

4.1 Employees of Adjacent Institutions – Creating An Identified Demand

The following diagram demonstrates the proximity of identified employment centres to the subject site.



Figure 1 – Distances from Site to Employment Hubs

St. James' Hospital

The subject lands are approximately 1,300m to the west of St. James' Hospital, which is a significant employer in the area currently employing over 4,000 no. staff. St. James' Hospital is Ireland's largest teaching hospital, providing care for over 300,000 people annually.

We note that, typically with hospital workers, many key employees are working varied shift times. The availability of affordable accommodation in close proximity to their place of work is therefore critical. In addition, long term patients will have accommodation requirements for visiting family and friends – this is particularly the case with regards to the Children's Hospital, currently under construction at this location.

Golden Bridge Industrial Estate

Golden Bridge Industrial Estate is a significant employment hub, comprising over 20 units, ranging from manufacturing to offices.

Kilmainham Square

Kilmainham Square is a newly build hub for Kilmainham which contains retail units, offices, apartment and a hotel.

Our Lady's Hospital

The subject lands are approximately 1,100m to the north of Our Lady's Hospital, which is a significant employer in the area currently employing over 1,200 no. staff. Our Lady's Children's Hospital is Ireland's largest children's hospital, with 243 dedicated beds for children.

We note that, typically with hospital workers, many key employees are working varied shift times. The availability of affordable accommodation in close proximity to their place of work is therefore critical. In addition, long term patients will have accommodation requirements for visiting family and friends – this is particularly the case with regards to the Children's Hospital.

Access to City Employment Sites via LUAS

The location of the site in close proximity to the LUAS will allow residents ready accessibility to the main City Centre employment centres.

4.2 Demographical Analysis – Household Size

The average household size in the area is 2.4, which is below the 2.75 nationwide average. This lower number means that there are more smaller households of one and two people. This makes one and two bedroomed units more favourable and indicates that more people may be younger or unattached and therefore more likely to rent in this location.

4.3 Conclusion - Demand Analysis

It can be seen from the above analysis that there exists key employment centres in close proximity to the subject site, which will generate a need for the type of accommodation offer that build-to-rent units can provide. As well as this, the lower household size in the area indicates that one and two bedroomed build-to-rent units are favourable.

5 Affordability and the Rental Market

5.1 The Rental Market – Diminishing Supply

In a search carried out on December 17th, 2018 on Daft.ie, only 13 no. properties to rent were recorded to be available in all of Dublin 12. None of these were 1-bed units. This indicates a significant shortage of rental properties in the area.

The proposed scheme will provide flexible contract arrangements at affordable prices in order to provide diversity and affordability to the current rental market.

5.2 Rental Options in the Locality are Not Affordable to Many Workers

We refer to the Daft.ie quarterly reports on the rental and property market. In the first quarter of 2018, rents in the South Dublin region average €1,651 - the nationwide average being €1,261. The affordability issue in this area is therefore clear to see.

The table below details average rents in Dublin 12 per unit type per month are:

1 bed	2 bed	3 bed	4 bed
€1,320	€1,885	€2,350	€2750

Additionally, average rents for single beds and double beds in Dublin 12, in traditional shared housing, per month are as follows:

Single room	Double room
€581	€635

5.3 Affordability – A Key Driver for Build-to-rent

As highlighted above, an average 1 bedroom apartment in the Dublin 12 area cost €1,320 to rent per month.

A key affordability indicator or crisis occurs when a person is required to spend more than 30% of their salary on rent.

Taking these figures, and using a net salary multiplier, an annual salary of €52,800 would be required to service monthly rental repayments for a 1-bed unit in this area, at crisis level.

This is clearly well in excess of the national average salary which currently stands at approximately €45,000.

Using these statistics alone there are no affordable accommodation options in this area for the average single income family or single persons seeking standard tenancies.

5.4 Staff Retention and Affordability

Recent commentary by CEO's of multi-national corporations in Dublin City Centre, and beyond, has pointed to a key difficulty with staff retention as a direct result of a lack of affordable accommodation.

As recently as August 2018, Paul Hackett, CEO of Click and Go has placed an additional spotlight on this issue citing an issue with recruiting staff outside of Ireland as 'they simply cannot find, or afford, suitable rental accommodation' in Dublin.

If staff can't find affordable accommodation, within close proximity to their place of work, the attractiveness of the employment offer diminishes, significantly. This will continue to be a very real issue for say, St. James' Hospital where staff recruitment and retention is fundamental to the workings of a robust and reliable health service.

6 Conclusion

In considering the above factors, it is deemed that the proposed Build-to-rent scheme represents a new and innovative solution to tackle the housing crisis in Ireland.

Crucially, this type of accommodation can address demand, supply and affordability issues.

The supporting documentation will provide the Board with details on the scheme and the design influences of the proposal. We trust that they will therefore be convinced by the immediate need for this new Build-to-rent residential offer.