

## An analysis on the supply of commercial and residential space in Dublin's Docklands

### Introduction

Owen Reilly has analysed planning applications in the Dublin Docklands Strategic Development Zone (SDZ) and in particular the ratio of office to residential space. Our analysis gives an insight into what the Dublin Docklands will look like when the development cycle is completed in the next five years. Based on our transactions capital values are up 13% and rents are up 12% in the Dublin Docklands in 2017. The market is underpinned by a lack of supply and strong demand which is driving up prices.

### The SDZ

The North Lotts and Grand Canal Dock SDZ was made by Members of Dublin City Council in November 2013 and approved by An Bord Pleanála in 2014 to provide for 2,600 residential units and up to 360,000 sq. m. of office space, as well as retail, community and public amenity facilities which will create 23,000 jobs. Given the preference for open plan office layouts there will be much more office jobs created that originally envisaged.

### Future supply

Currently there is approximately 282,000 sq. m. (c.3,035,000 sq. ft.) of office space at planning stage or under construction. It should be noted this does not include retail space, cultural space and office space at pre-planning stage. Much of this office space will be completed and ready for occupation in the next two years.

Residential construction has lagged well behind office development with only 15 new units completed in 2017 and only 310 units scheduled to be completed in 2018. There is currently 1,865 apartments at planning stage or under construction (see map below). We expect approximately 2,600 apartments to be developed in total in the next five years based on the original SDZ and current Department of Environment (DOE) regulations.



## Capacity

We have made the following assumptions:

- Net office space @ 85%
- 10 m<sup>2</sup> internal office space per employee
- 2.5 adult residents per apartment

Based on these assumptions and current applications there will be enough office space in the Dublin Docklands to accommodate an additional **24,000 workers**. The proposed residential space at best will accommodate approximately **6,500 dwellers**.

## Conclusion

Based on our analysis, it is clear that the number of new apartments will only deliver a small fraction of the accommodation required by the 24,000 new workers given the residential capacity will be in the region of 6,500. It should be noted the number of proposed workers will grow as more commercial applications come into the system. This will, undoubtedly, put more pressure on the Docklands and city centre rental market and potentially further exasperate the housing crisis in the greater Dublin area. This is also a significant threat to Foreign Direct Investment into Dublin.

## Recommendation

We recommend the capacity on residential space is optimised by increasing density significantly. This would create more equilibrium between the capacity of office space and residential space. If stakeholders don't act now the consequences will be irreversible given the current development cycle in the Dublin Docklands.



## Case Study: Recent application in Docklands SDZ

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	OFFICE SPACE	RESIDENTIAL SPACE
<b>% Use</b>	45%	55%
<b>Building Density</b>	39,000 sq. m per hectare	38,000 sq. m. per hectare
<b>Space</b>	30,500 sq. m. (NIA)	420 apartments
<b>Capacity Usage</b>	10 sq. m. per worker	2.5 adults per unit
<b>Total Capacity</b>	Approximately 3,050 workers	Approximately 1,050 dwellers

This case study shows how the commercial office space provides much greater capacity than the residential space.