

The Docklands Residential Report 2018

owenreilly



Dublin Docklands

2017 was a very strong year for the Dublin Docklands residential market. Capital values were up 13.1% and rental values were up 10.8%. However, rental properties where rent caps apply are 12% lower than market rents. Rents on our managed portfolio of apartments are up only 6% so rent caps are certainly working from a tenant's perspective and is evidenced in a very high renewal rate of 83%. Strikingly only 8% of our tenants were Irish which reflects where local companies are recruiting from but also the Irish attitude to high-end rents.

The sales market was underpinned by tight supply which produced strong selling prices and fast selling times in the first six months of 2017 when values increased 9.2%. The rate of price increase slowed in the second half of the year. Year on year values are up 14% in Grand Canal Dock. Though investors were still dominant at 66%, attracted by strong rents, there was a significant increase in activity from owner occupiers and we expect this trend to continue in 2018. With the recovery in values, a number of accidental landlords came out of negative equity and left the market.

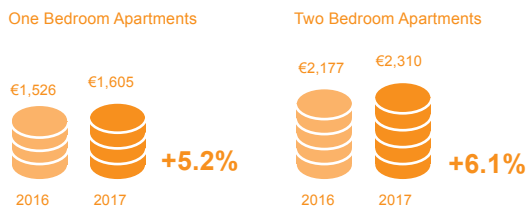
Only 15 new apartments were completed in 2017, a startling figure. We estimate there will be 320 completions in Capital Dock and 6 Hanover Quay which is nowhere near enough to meet demand. Our analysis on the Docklands planning applications shows a significant mismatch between the capacity of new office space and residential accommodation. There is 314,000 sq. m. of office space planned, which will accommodate approx. 26,000 employees, and only 2,600 new residential units planned, which will accommodate approx. only 6,500 residents in the Docklands area.

It is obvious that if the residential density is not increased significantly, there is going to be excessive pressure on both rental and capital values due to this localised shortage, as well as undue pressure on the transport infrastructure as professionals are obliged to commute into the Docklands from surrounding neighbourhoods, suburbs and counties.

Apartment Lettings

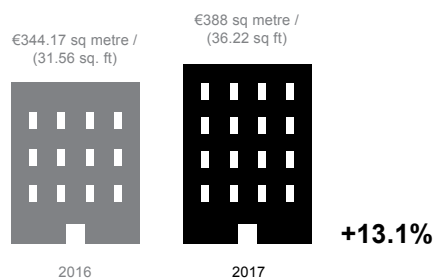
This information is based on letting agreements concluded by Owen Reilly

Average monthly rents (rent caps apply)

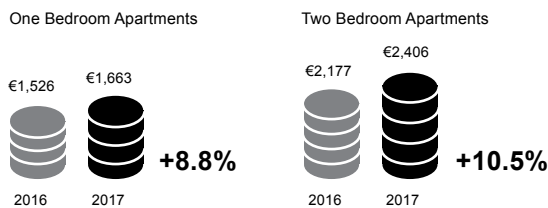


* not enough 3 bedroom lets to apply

Average rents per square metre (square foot)



Average monthly rents (market rents apply)



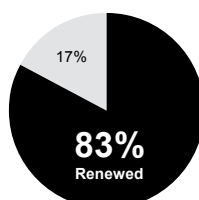
Average rent (capped)
€1,988 per month

Annual rent inflation:
+10.8%

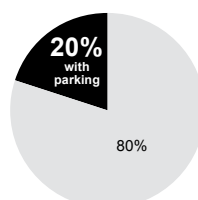
Average market rent
€2,226 per month

Difference
12%

Rental renewals in 2017



Rentals with parking in 2017



Tenant nationality

Irish
2016: 14.7%
2017: 8.3%



European
2016: 63.2%
2017: 45%

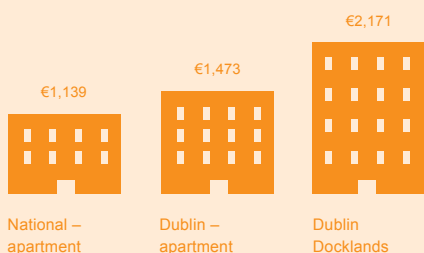


Non-European
2016: 22.1%
2017: 43.3%



Corporate
2016: N/A
2017: 3.3%

How Docklands rents compared in 2017



Note*
Information from
The PRTB Rent
Index Q3 2017

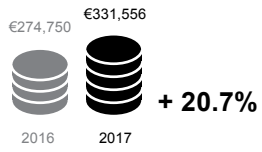
Information based
on letting agreements
concluded by
Owen Reilly Q3 2017

Apartment Sales

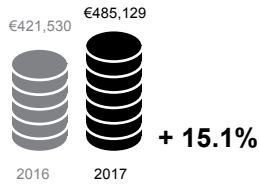
This information is based on sales agreed by Owen Reilly

Average apartment prices

One Bedroom Apartments



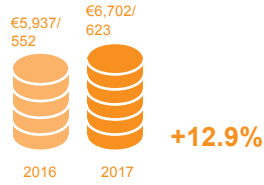
Two Bedroom Apartments



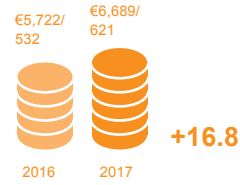
* not enough 3 bedroom transactions

Average prices per square metre (square foot)

One Bedroom Apartments



Two Bedroom Apartments

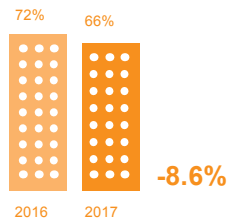


* not enough 3 bedroom transactions

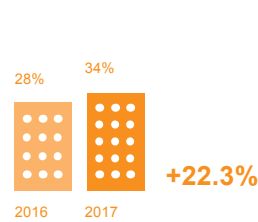
Average price inflation +13.1%

Buyer profile

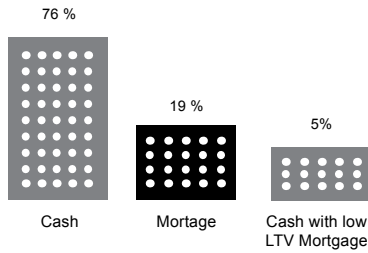
Investors



Occupiers

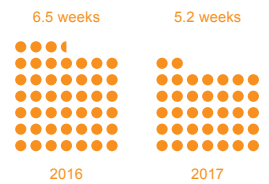


Buyer profile – funding



Weeks on market

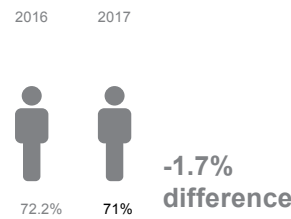
All Apartments



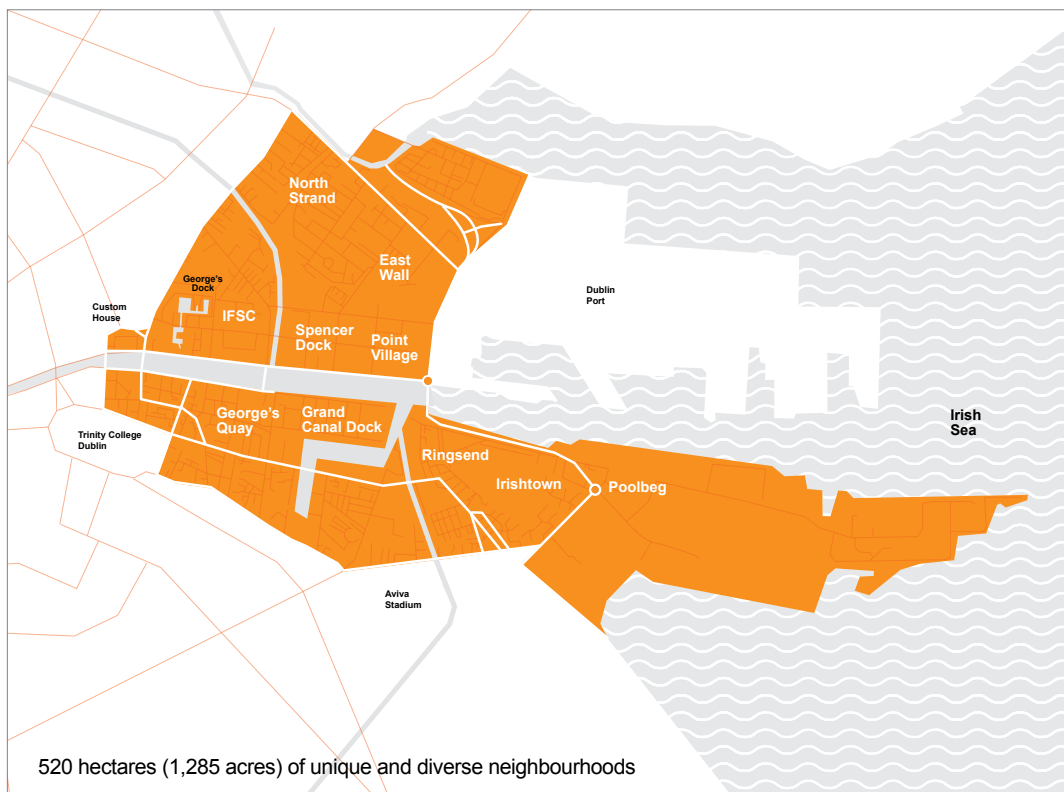
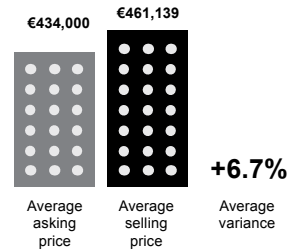
Buyer profile nationality



Irish buyers in 2016 and 2017

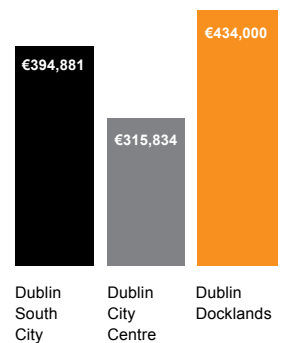


Selling prices versus Asking prices in 2017



How Docklands asking prices compared in 2017

Average asking prices for Q4



The Dublin South City and Dublin City Centre prices are based on information from Daft.ie from the House Price Report. The Dublin's Docklands price is based on Owen Reilly's listings.

Owen Reilly provides a professional estate agency service throughout south Dublin, Dublin's city centre and Docklands.

Owen Reilly, 41 Forbes Quay
Grand Canal Dock, Dublin 2

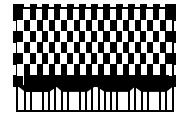
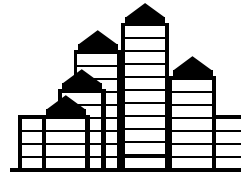
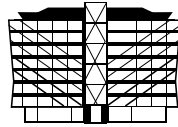
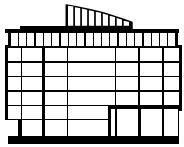
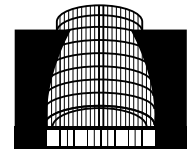
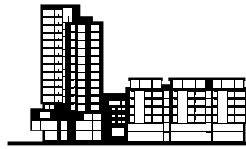
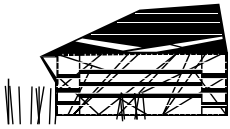
Telephone +353 1 677 7100
E-mail owen@owenreilly.ie
www.owenreilly.ie

PSR Licence Number 002370



This information in this document is based on transactions only and our observations of the market. However, Docklands comprises unique and diverse neighbourhoods and features many very different apartment developments; we will be pleased to provide more detailed breakdowns or background information to particular areas or developments.

owenreilly



AVERAGE PRICE
PER SQUARE
METRE

€6,696

(€622 PER SQ. FT)

AVERAGE
RENTAL
YIELD

5.76%

IRISH
BUYERS

71%

INTERNATIONAL
TENANTS

88%

HIGHEST
DOCKLANDS
PRICE PER
SQUARE METRE

€10,714

(€1,000 PER SQ. FT)

CASH
BUYERS

76%

ANNUAL
RENT
INFLATION

+10.8%

ANNUAL PRICE
INFLATION
(PER SQUARE
METRE)

+13%