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The Docklands Residential Report 2020



Development in Dublin Docklands continues at a dramatic pace focused on five development hubs: Boland's Mill, Britain Quay and Grand Canal Square, on the south Docklands, and Spencer Dock and the Point Village across the river. There are 40,000 people working in Docklands, and this workforce will double within the next two years. There are fifteen large projects under construction, with planning permission for five more. The residential component provides for just over 2,000 apartments, plus student accommodation. Over 1,000 of these apartments are under construction.

Our average selling price per sq. ft. was €623 per sq. ft. (PSF), 3.85% lower than 2018. However, selling prices up to €400,000 were 2.4% higher and selling over €700,000 were down 3.8%. So different tiers of the market are performing very differently. On average our selling prices were 1.4% above asking prices compared to 2.3% in 2018. 53% of our buyers are now owner occupiers, up on 47% in 2018. 55% of our buyers are buying with cash funds though we are increasingly dealing with mortgage buyers.

First time buyers are very active up to €400,000, where they are consistently outbidding investors, and now account for over 60% of our buyers at this price range. They are motivated to buy as

paying a mortgage is now much cheaper than paying the average rent in Docklands. 62% of our buyers are Irish and interestingly 14% of our buyers are Asian. Chinese buyers are increasingly active. In recent months we have seen a pickup in enquiries from UK buyers who recognise Dublin Docklands is benefitting from Brexit.

Average rental yields have improved to

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Average rental yields have improved to 6.2% compared to 5.8% the previous year. Over 75% of vendors are landlords exiting the market which is a worrying trend and will negate the supply of affordable rental properties in Docklands. Given the increased regulation, rent pressure zone regulations and high taxation it is not surprising small landlords are selling.

The growth of private rental sector (PRS) continues to define the Dublin Docklands residential market. Large PRS transactions included 268 units at Dublin Landings acquired by Greystar and 72 units at the Benson Building (sold by this firm) acquired by Patricia. Marlet sold 56 apartments at Ropemaker Place to German fund Realis. Including the retail space this equates to a price of over €800,000 per unit. In 2020 is it likely all new developments in the Docklands will be sold in a single block to investment funds.

Unsurprisingly there is huge demand for rental accommodation in Dublin Docklands. Our average rental is now €2,479 per month which is 20% higher than the Dublin average.

Only 8% of our tenants are Irish

Only 8% of our tenants are Irish which reflects where technology companies are recruiting from but also the unwillingness of Irish professionals to pay high rents. 52% of our tenants are from the EU and we have seen an increase in American and Indian tenants. Unsurprisingly 55% of our tenants work in the technology sector. Given the profile of tenants only 23% require parking with most seeking a twenty-minute max walk to work.

Increasingly the average salary of our tenants is getting higher at €127,618 up 8.6% on 2018. At Grand Canal Dock the average individual salary is €147,582. Rental inflation is 5.3% YOY but 1 bed rents are up nearly 7% given the chronic shortage. However rental inflation has cooled compared to the 8%+ inflation in 2018. In our opinion this is down to an affordability ceiling and rent cap legislation.

Luxury rentals launched at Capital Dock by Kennedy Wilson and Opus by Carysfort Capital which added much needed rental stock and raised the bar in terms of interior design and on-site amenities.

Looking forward we expect capital and rental values to increase this year assuming a favourable Brexit but the trends from our data suggest gains will be marginal in the selling market. We do expect rents to grow at least 4% which is bad news for tenants but hopefully will attract investors given rental yields will continue to improve.



The Benson Building

Transactional Data and Year on Year (Change)

Average Asking Price:

€476,912

Average Selling Price:

€483,875

Asking v Selling Price:

+1.4% (+2.3%)

Weeks On Market:

11 Weeks (7.4 Weeks)

Average Rental Yield

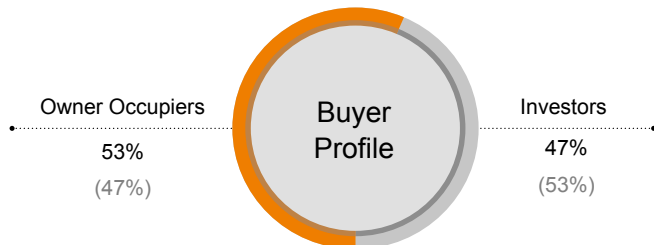
6.2% (5.8%)

Average Price Per Sq.M. / Sq.Ft.

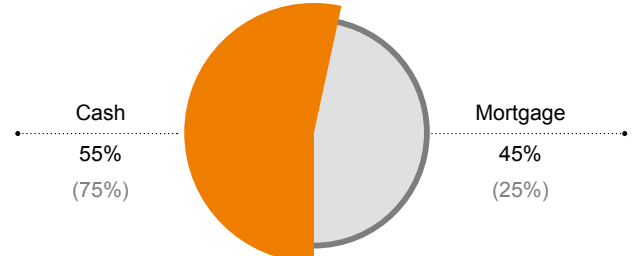
€6,706 / €623 (-3.85%)

Buyer Profile

Type



Funding



Nationality of buyers	2019	2018
Irish	62%	73%
UK	3%	5%
Asian	14%	5%
European	16%	7%
Other (American, Australian, African)	5%	10%

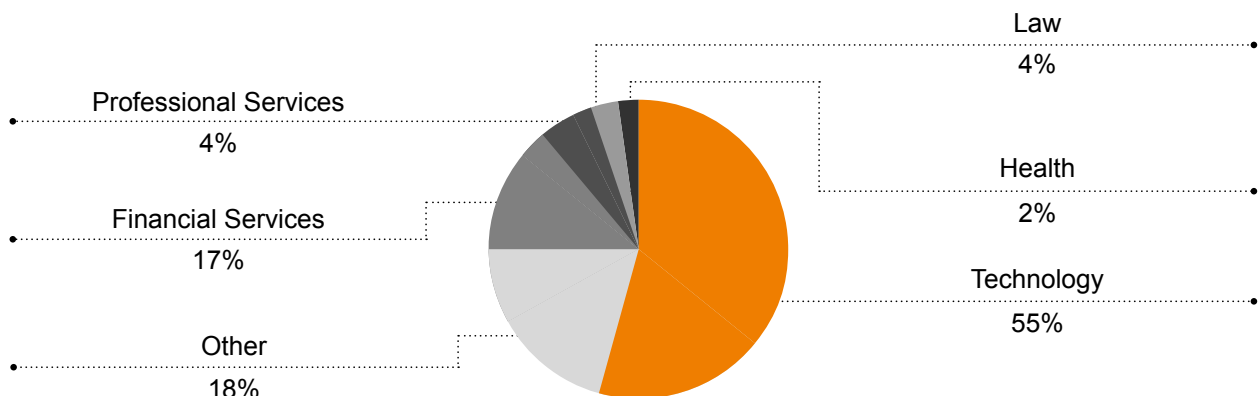
Transactional Data and Year on Year (Change)

Average Monthly Rents		
One Bedroom Apartments	Two Bedroom Apartments	Three Bedroom Apartments
€1,978 (+6.9%)	€2,581 (+4.6%)	€2,939 (+2.9%)
Average Salary	Annual Rent Inflation	Parking Required
€127,618 (+8.6%)	+5.3% (+8.7%)	23% (28%)
Average Monthly Rent	Average € per Sq.M. / Sq.Ft.	
€2,479 (+3.6%)	441 / 41.45 (+5.3%)	

Tenant Profile

Nationality	2019	2018
Irish	8%	19%
European	52%	44%
International	32%	25%
American	4%	2%
Corporate	4%	10%

Sector our tenants are working



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The 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.

PSRA Licence Number 002730

