

# Ireland Residential Investment Snapshot Q3 2021



# IRELAND RESIDENTIAL INVESTMENT SNAPSHOT Q3 2021

## HEADLINES

**53%**

OF TOTAL Q3 2021 INVESTMENT SPEND WAS IN RESIDENTIAL

**€418.7 Mn**

TOTAL RESIDENTIAL INVESTMENT SPEND FOR Q3 2021

**3.6%**

PRIME RESIDENTIAL YIELDS ARE TRENDING STRONGER

The investment market continued to perform strongly in the first nine months of 2021 with approximately €3.55 billion spent to date.

Residential investment has become the most prominent asset class to transact in the market accounting for 55% of CRE spend as investors strive to avail of income opportunities against a backdrop of a growing population, a shortage of broader housing options and an economy recovering and expanding at a faster pace than had been envisaged at the beginning of 2021.

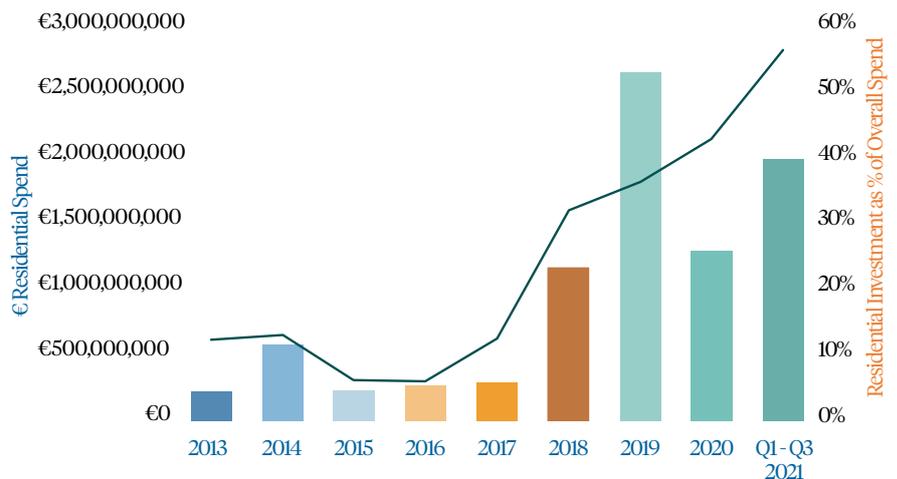
Within Q3 2021, there were fourteen residential investment transactions over €1 million, totalling €418.7 million. This comprised 53% of total investor spend for the quarter. There was one residential investment deal in excess of €100 million in Q3 which consisted of a confidential, €110.0 million sale.

Other notable transactions included the sale by Kimpton Vale of 211 units at Windmill, Clonsilla to Urbeo for €73.0 million which was followed by another confidential sale for €63.6 million.

In terms of the various sub-sectors, multifamily deals accounted for 84% of the investment spend in Q3. Social housing comprised 14%, up from 3% last quarter while student accommodation consisted of the remaining 2%.

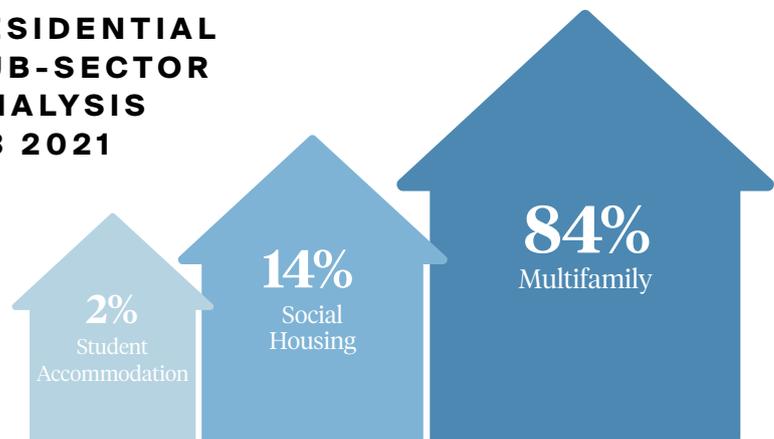
The most prominent social housing deals of Q3 consisted of the sale of 67 apartments at the Butter Yard to M&G Real Estate for €32.5 million as well as Alpha Real Estate's acquisition of Project Haven for €20.2 million.

## RESIDENTIAL INVESTMENT 2013 - YTD 2021



Source: Knight Frank Research

## RESIDENTIAL SUB-SECTOR ANALYSIS Q3 2021

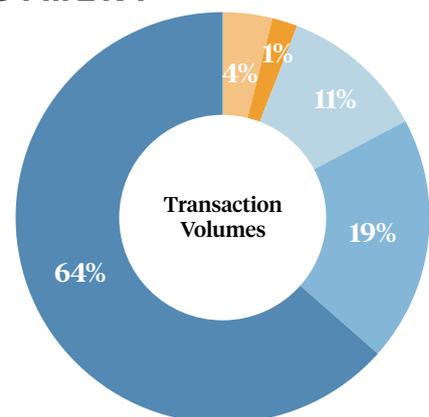


Source: Knight Frank Research

## RESIDENTIAL INVESTMENT BY LOT SIZE YTD 2021

### Lot Size

- €100m plus
- €50m - €99m
- €20m - €49m
- €10m - €19m
- €1m - €9m



Source: Knight Frank Research

## TOP 3 DEALS OF Q3 2021

# 1

### €110.0 Mn

CONFIDENTIAL TRANSACTION

# 2

### €73.0 Mn

WINDMILL, CLONSILLA  
ACQUIRED BY URBEO

# 3

### €63.6 Mn

CONFIDENTIAL TRANSACTION

In the first nine months of the year, transactions over €100 million have accounted for 64% of the total residential investment spend. This can be attributed to six deals ranging in price from €110 million to €450 million.

The largest number of residential investment deals completed in the first nine months of the year were within the €1 million to €9 million lot size category of which there were fifteen. The next largest lot size was €20 million to €49 million with eight residential investment deals while a further six deals signed within the €50 million to €99 million lot size.

Dublin remains the primary location for residential investment transactions. 96% of the Q3 2021 residential investment spend was in various Dublin locations. The areas that attracted the majority of investor activity in Q3 consisted of Dublin West Suburbs which accounted for 44% of transactions followed by Dublin South Suburbs with 21% and Dublin City with 17%. Just 4% of the investment spend in Q3 occurred outside of Dublin and this was split between Cavan, Galway, Waterford and Wicklow.

Forward commit transactions remained as the dominant deal type for residential trades comprising 80% of deals in Q3 2021. Existing stock on a large scale is limited in the Irish market. Of the 20% of existing deals completed, the average lot size was €9 million.

Investor demand for core income coupled with a lack of stabilised modern stock has caused a tightening of prime residential yields to 3.6%, compared to 3.75% in Q2.

## Q3 2021 RESIDENTIAL INVESTMENT



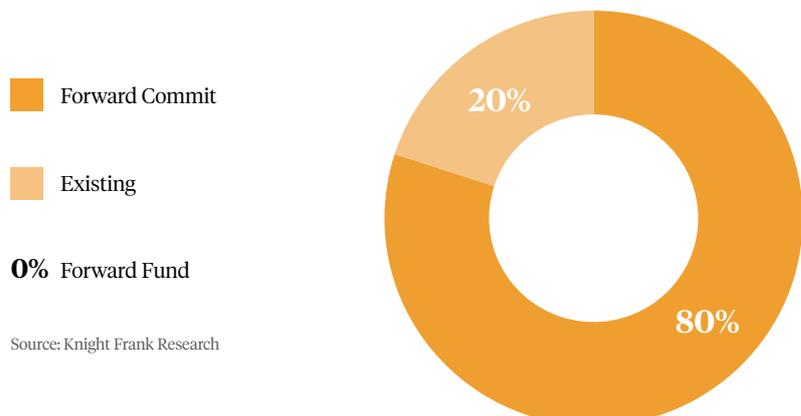
Source: Knight Frank Research

## TOP 5 RESIDENTIAL INVESTMENT DEALS Q3 2021

Property	Sector	Deal Structure	€m	Purchaser
Confidential	Multifamily	Forward Commit	€110,000,000	Confidential
Windmill, Clonsilla Dublin 15	Multifamily	Forward Commit	€73,000,000	Urbeo
Confidential	Multifamily	Forward Commit	€63,550,000	Confidential
Confidential	Multifamily	Forward Commit	€57,000,000	Confidential
The Butter Yard, Blackrock, Co. Dublin	Social	Forward Commit	€32,460,000	M&G Real Estate

Source: Knight Frank Research

## RESIDENTIAL INVESTMENTS BY DEAL STRUCTURE Q3 2021



Source: Knight Frank Research

## SPECIAL FOCUS: SUSTAINABLE REAL ESTATE

Sustainability matters are becoming a central element in corporate strategy and investment decisions. It is important for industry leaders to understand the impact of trends and the impact on their investments.

The built environment accounts for about 40% of total carbon emissions and changes to the way we design and deliver new buildings, retro fit existing buildings and manage buildings now and into the future can help towards reducing carbon emissions.

Our recent [‘Active Capital: Trends in Global Real Estate’](#) report shows that across the world, green building ratings are already having a positive impact on building values with multiple variables such as legislation, obsolescence and risk premiums resulting in lower yields and rental premiums.

Green finance from both bank and non-bank lenders are increasingly considering ESG credentials in their real estate lending. At the EU level, real estate financing activities will need to be aligned with the EU taxonomy which is driving the focus on sustainable buildings.

Please contact us to help you on your sustainability journey.



*Please get in touch with us*

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