Ireland Development Land Report

August 2026

An overview of the latest activity in the Irish development land market

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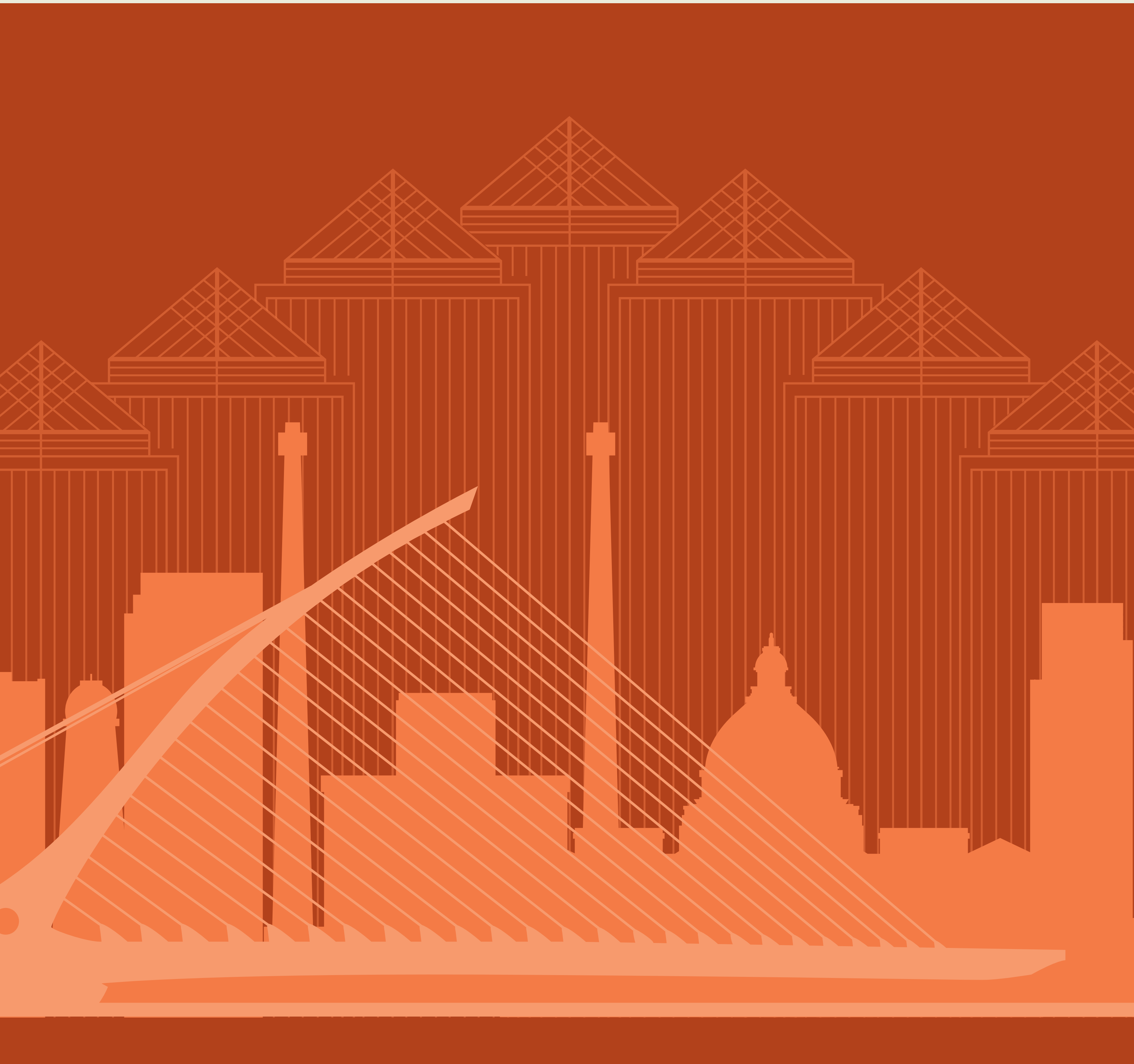


Key Figures

€389m

worth of development land transacted in H1 2026, a 37% increase on the same period in 2025.

57%

of activity in H1 2026 was comprised of mixed-use and commercial development land with two transactions accounting for nearly half of spend.

43%

of activity in H1 2026 was comprised of residential development land with overall volumes remaining relatively steady in comparison to H1 2025.

c.40,000 units

will be completed this year and potentially up to c.43,000 units in 2027. However, commencements and planning permissions suggest that a sustained increase beyond 2027 and 2028 is far from assured.

3.2%

Materials and wages in the construction sector increased by 3.2% year-on-year in June 2026 on the back of the US-Iran Conflict, the highest reading since October 2023, creating additional headwinds for housing output along with recent interest rate increases.

Market Trends

- **€389m worth of development land transacted during H1 2026, representing a 37% increase on the €284m recorded during the same period last year.**

COMMERCIAL AND MIXED-USE TRANSACTIONS BOOST VOLUMES

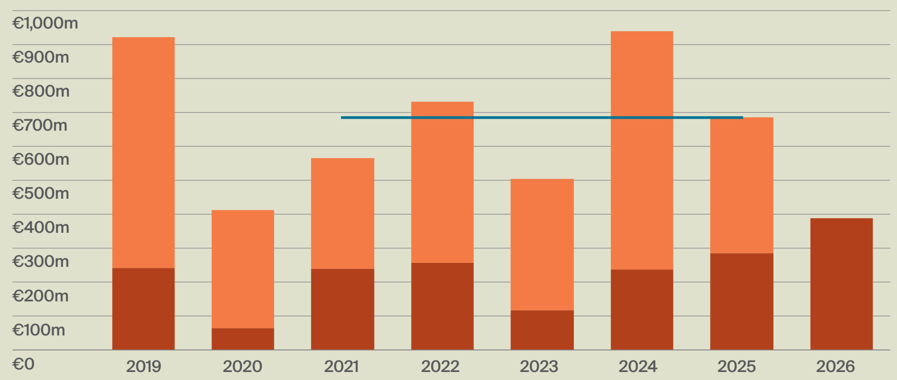
Two large transactions underpinned activity during H1 2026 - namely the sale of Camden Yard to Dublin City Council, which will serve as the local authority's new headquarters while also facilitating the delivery of almost 300 residential units, and the acquisition of Merchant's Yard by Live Nation for the delivery of a new music and sports arena. Combined, these transactions totalled €180m accounting for almost half of spend during the period.

Sites with the potential for hospitality-related development also featured prominently, with notable transactions including the sale of a site on Ormond Quay for €11.5m, the Former Royal City of Dublin Hospital on Upper Baggot Street for in excess of €9.0m and 19/20 Lombard Street & 112/114 Townsend Street for €4.5m.

Overall, €223m worth of commercial and mixed-use development land traded in H1 2026, representing 57% of spend. This is up from €104m during the same period last year when these two sectors accounted for 37% of spend.

> "The combination of constrained supply and strong trading performance, with occupancy averaging above 80% in recent years, continues to make hospitality-related development sites in Dublin an attractive proposition for both investors and operators."

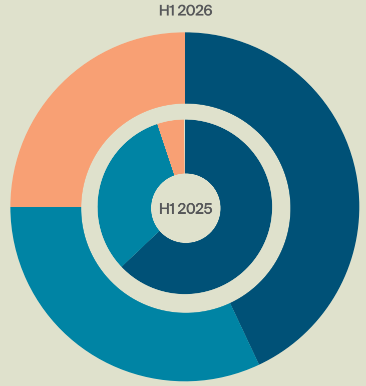
Value of development land sales, 2019-H1 2026



Source: Knight Frank Research

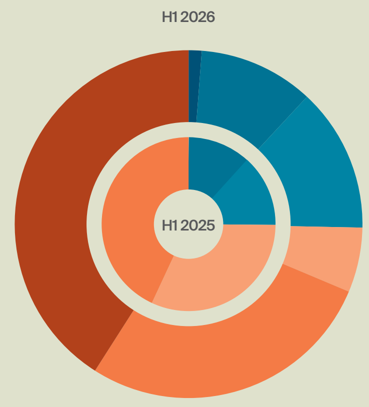
Value of development land sales by sector, H1 2026 vs H1 2025

	H1 2025	H1 2026
Residential	63%	43%
Commercial	32%	32%
Mixed-use	5%	25%
Other	0%	0%



Source: Knight Frank Research

Value of residential development land sales by size, H1 2026 vs H1 2025



	H1 2025	H1 2026
<€1,000,000	0%	1%
€1,000,000-€5,000,000	12%	11%
€5,000,000-€10,000,000	13%	13%
€10,000,000-€20,000,000	32%	6%
€20,000,000-€50,000,000	43%	28%
>€50,000,000	0%	41%

Source: Knight Frank Research

Market Trends

The buyer pool remained broad-based in H1 2026 and is expected to remain so over the coming quarters.

RESIDENTIAL ACTIVITY REMAINS STEADY

Residential development land activity remained relatively stable during H1 2026, with €166m (43% of spend) transacting, broadly consistent with the €179m (63% of spend) that was recorded during H1 2025. The number of deals was also unchanged, with 20 completing in both periods. The average deal size stood at €8.3m in H1 2026, down from €8.9m in H1 2025.

Activity in the €0-€5m and €5-€10m bands was unchanged between H1 2025 and H1 2026, accounting for 12% and 13% of spend respectively. Activity was lower in the €10-€20m bracket, which fell from 32% of spend in H1 2025 to 6% in H1 2026, while the €20-€50m category declined from 43% to 28% during the same period.

However, this was largely offset by a single transaction in excess of €50m which accounted for 41% of spend in H1 2026. By comparison, there were no transactions above this threshold during H1 2025.

> “Housebuilders remained active, with several notable transactions demonstrating the continued appetite for well-located sites with planning permission.”

These included the sale of off-market lands in Ratoath, with planning for 350 units, for €26m, a site on Port Road in Killarney, with planning for 224 units, for €10m and the Former Murphy and Gunn showroom in Milltown, with planning for 74 units.

State agencies continued to pursue sites of scale with the Land Development Agency (LDA) acquiring the former KSG lands in the Jamestown Industrial Estate in Finglas, which has the potential to deliver 600 units, for in excess of €20m.

> “A number of new entrants also entered the market demonstrating the depth of demand and broad range of capital targeting Irish residential development land opportunities.”

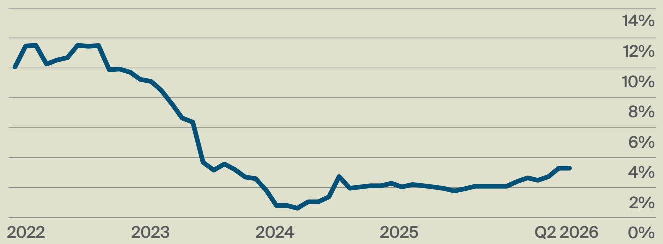
Other notable deals included the purchase of a site in Northwood in Santry, with final planning for 170 student beds, for €3.0m as well as a site on Ballyogan Road in Carrickmines with planning for 49 units for €3.2m.

GROWING APPETITE FOR LONGER-TERM LANDS

Activity in H1 2026 also highlighted a continued appetite for longer term lands – those yet to secure planning permission, including unzoned and strategic reserve sites. Typically available at lower entry price points, these opportunities allow developers to assemble and grow their land banks in a more cost-effective manner. As such, the price gap between sites with and without planning permission has narrowed in recent times.

Sentiment towards these sites has been supported by a number of positive policy developments. These include measures aimed at increasing the supply of zoned land through the Section 28 Directive, all 31 local authorities are now progressing rezonings with 22 having already completed variations to their development plans.

Capital goods price index – annual change in building and construction (materials and wages)



Source: Knight Frank Research

Confidence has also been bolstered by enhanced funding for enabling infrastructure and site servicing, including the recent announcement of support for 82 projects (with the potential to unlock over 200,000 homes) under the €1bn Housing Infrastructure and Investment Fund. In addition, there are signs that planning approval timelines have begun to improve under the Large-Scale Residential Development process, providing further encouragement to the market.

> “The development land market remains constrained by a shortage of zoned and serviced land. While Section 28 development plan variations are helping to increase supply, it is essential that this progress continues in a timely manner through further variations or the upcoming 10-year development plans to ensure sufficient land is available to meet future housing and development needs.”

Outlook

Robert O'Connor, Divisional Director, Knight Frank Research

Estimates suggest that approximately 40,000 homes will be completed in 2026, and potentially up to c.43,000 units in 2027. Forward-looking indicators, particularly commencements and planning permissions, suggest that a sustained increase beyond 2027 and 2028 is far from assured. This is evidenced by the fact that, on a rolling 12-month basis, only c.25,000 units have commenced construction, while planning permission has been granted for just c.35,000 units.

Activating the substantial stock of permissioned housing, including almost 47,000 approved units in Dublin, alongside sites that can accommodate high-density apartment development will be critical to maintaining momentum beyond 2027 and 2028. Apartment viability remains a significant structural challenge, and, to date, large-scale developments have typically only progressed where a State-backed purchaser, such as the LDA, approved housing bodies or local authorities, has provided a guaranteed exit.

However, a number of recent policy measures, including amendments to Rent Pressure Zone regulations, the reduction in VAT on new apartment construction, proposed changes to apartment design standards and the Croí Cónaithe Cities Scheme, have the potential to improve development viability and encourage greater participation from private capital.

> “Croí Cónaithe has successfully unlocked a channel of viable build-to-sell apartment delivery in certain locations ”

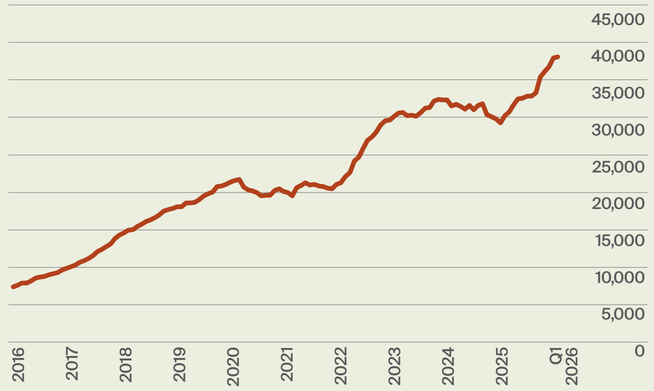
Continuing government support for apartment delivery will be required. Recent geopolitical instability, including the US-Iran conflict, has contributed to upward pressure on both construction costs and financing rates, creating additional headwinds for apartment development.

> “Materials and wages in the construction sector increased by 3.2% year-on-year in June 2026, the highest reading since October 2023 ”

Against this backdrop, the effectiveness of recently announced policy measures, together with the timely delivery of additional supports where required, will play an important role in determining whether housing output can continue to increase beyond 2027 and 2028.

Completions – rolling 12m

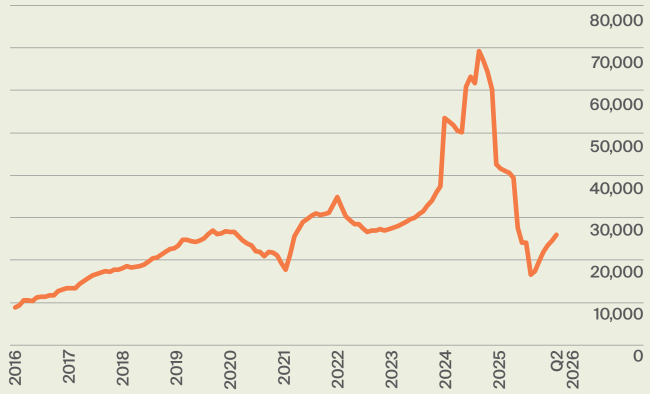
Units



Source: CSO/Knight Frank Research

Commencements – rolling 12m

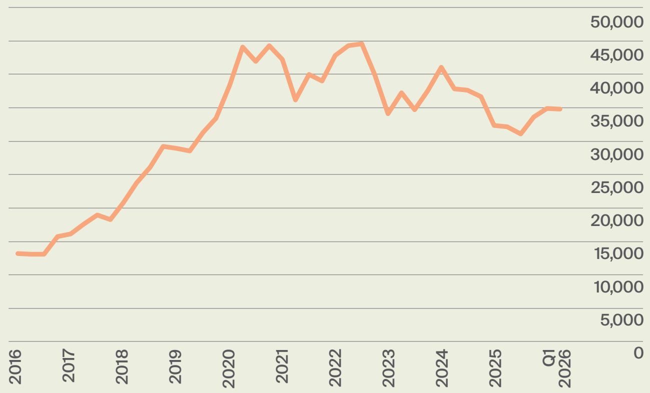
Units



Source: DHPLG/Knight Frank Research

Planning granted – rolling 12m

Units



Source: CSO/Knight Frank Research

Dublin Office Market
Q2 2026

Ireland Living
Sectors 2026

Ireland Investment
Market August 2026

(Y)our Space
Report 2025

The Wealth Report
2026

Dublin Logistics and
Industrial Market May 2026

We like questions, if you've got one about our research,
or would like some property advice, we would love to hear from you.

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