



**Glenveagh**  
Living

# Business Unit Update

Glenveagh Properties PLC  
Business Unit Update - Glenveagh Living



East Road, Dublin Docklands (CGI)

# Living operates in two distinct channels being PRS and Partnerships



Through these two segments, the business aims to capitalise on the significant opportunity that exists in building rental communities and the requirement for strategic partnerships with institutional investors, approved housing bodies and government and local authorities in segments such as mixed-use residential / retail, social housing and affordable housing. Living's objective is to deliver best-in-class private rental developments and mixed tenure developments to our private and public partners.

Living's economic model is designed to:

- Deliver strong return on capital employed;
- Allow the group to access a wider spectrum of opportunities;
- Diversify risk through a variety of delivery strategies; and
- Provide resilience across the economic cycle.

## PRS

### Ireland – the macro opportunity

There continues to be an undersupply of rental properties in Ireland which is yet more pronounced in the Dublin market, where, the supply of new stock remains subdued. The continued favourable demographic shift and the consequential change in the market's tenure demand mix towards rental accommodation has seen demand for rental properties grow considerably. PRS in Ireland has nearly doubled in size in the last 10 years with c.18% of Ireland's population and c.24% of Dublin's population now living in private rental accommodation.

There is significant demand for PRS product from both domestic and international investors. In 2017, c.€387 million was invested in 24 PRS schemes in Ireland. Given the attractiveness of Living's current PRS portfolio, we have targeted early engagement with prospective PRS investors to forward fund and de-risk the development of our 1,850 unit portfolio.



# 1,850

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There is a clear demand / supply imbalance that currently exists in the rental market and will likely persist over the medium to long-term. In Dublin the demand for the sector will increase further over the next ten years in line with projected population growth and in circumstances where housing supply currently lags demand by c.18,000 homes per year. This presents a significant opportunity for Living to deliver PRS schemes at scale to the market.

### Living's current PRS portfolio

Given these favourable market conditions Living are committed to becoming the delivery partner of choice for purpose-built rental accommodation in Ireland and have acquired four urban sites capable of delivering over 1,850 PRS units principally in Dublin's Docklands, Tallaght and Galway. These sites are currently being actively managed through the design and planning process.

#### Dublin Docklands

In January 2018, Living completed the acquisition of a c.5.2-acre site on East Road, Dublin 1 and, subsequently, in November 2018 acquired the neighbouring 2.44-acre site at Castleforbes Business Park, Dublin 1. The combined sites provide a significant and immediate opportunity to demonstrate Living's capabilities to create a substantial PRS portfolio in a central urban area. These sites are a key opportunity to obtain a competitive edge in scaling our PRS portfolio with the potential for over 1,100 units in a prime central location in the heart of Dublin's Docklands. The sites are also a demonstration of Living's commitment to placemaking and urban regeneration, which was part of our message to investors at IPO.

Planning preparation and applications are progressing well on each site with an application

through the SHD process for 560 units at East Road lodged in December 2018.

#### Tallaght and Galway

In March 2018, Living completed the acquisition of development rights at:

- a c.19-acre car park adjoining The Square Shopping Centre, Tallaght, Dublin 24; and
- a c.5-acre site to the rear of Gateway Retail Park, Galway.

The sites adjoin retail schemes operated by Sigma Retail Partners. Living intend to develop residential accommodation, comprising of c.800 units, across the sites and are actively engaged with a design team with the intention of submitting planning applications during 2019.

## Partnerships

Living also seeks joint venture opportunities and partnership arrangements to design, develop and deliver residential schemes for purchase by institutional investors, approved housing bodies and governmental and local authorities in Ireland. There are two component parts to the Partnerships opportunity – Mixed-Tenure and Joint Ventures.

### Mixed-Tenure

A housing delivery model whereby a developer provides a combination of social, affordable and private units usually on State lands. This is a well-developed sector in the UK and a growing feature of the Irish market principally through Local Authority public tender processes. There is a considerable pipeline of state lands which would be suitable for mixed-tenure schemes. The sector should also benefit from the newly created LDA



Castleforbes, Dublin 1 (CGI)

and its long-term role to deliver homes to help meet the growing demand for housing.

Living are committed to becoming a preferred delivery partner for mixed-tenure schemes in Ireland. The Group's delivery and sales capabilities coupled with our attractiveness as a counterparty, given our well capitalised balance sheet, will help ensure we are well placed to partner with the key agencies on future projects.

### Joint Ventures

An opportunity exists to partner with third-party land owners who wish to develop their residentially zoned lands but lack the financial or construction capacity to deliver such a scheme.

Living are actively pursuing joint venture opportunities with private landowners and government agencies. Living, utilising Glenveagh's scale, planning, construction and sales expertise, can create deep and lasting relationships to become the delivery partner of choice for joint venture arrangements.

**Glenveagh Living are actively pursuing joint venture opportunities with private landowners and government agencies representing the current principal focus.**

