

Development Project

Task 1: Site Selection & Appraisal

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Ireland's Macro and Micro Economic Outlook

Macro

Rising Inflation (annual increase of 5%)

- Pandemic
- Brexit
- Supply Chain Bottlenecks
- Increased Demand
- Labour Shortages
- Material Escalation
- Increased Tender Price Index

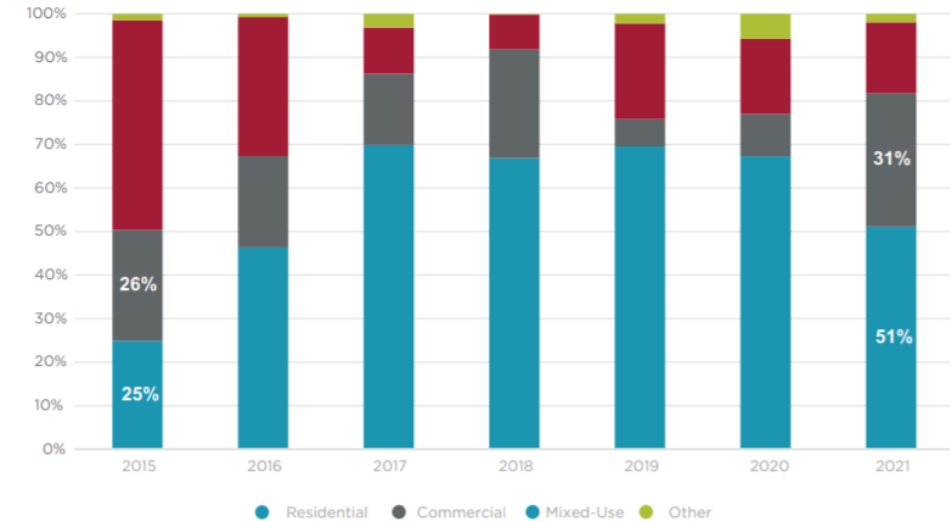
“expect inflation to dissipate throughout 2022”

- More investment into Irish Market
- Increased Market Competition (FDI projects)
- Material prices will stabilize

| Location | 1h2021 |
|------------------|--------|
| Dublin | 6% |
| Rest of Leinster | 7.8% |
| Munster | 6.3% |
| Connacht/Ulster | 7.8% |
| National Median | 7% |

Tender price inflation – First 6 months of 2021 (SCSI, 2021)

Micro



Developmental Land Market Activity 2015-2021

Commercial

- Nov 2021 - 65% of people were remote working
- Increased Job creation - Tech Sector
- High Demand for office space
- 2022 - 82% office space to be constructed in Dublin

Industry

- Ireland is 3rd largest exporter of Pharma Products
- Record high investments for 2021 – €1 bn
- High demand – rises in e-commerce/supply chain constraints

Three Sites

Site One: Mixed Use Development

- Ballymoneen Road, Galway
- 238 Residential Units
- Retail Space, Crèche & Communal Space
- Sale Price – €11 million



Site Two: Manufacturing and Ancillary Office Development

- Parkmore West IDA Business Park Galway
- 4134 sq meters
- Sale Price – €6 million



Site Three: Industrial Development

- Newhall Naas, Kildare
- 2 units x 2533 sq m each
- Sale Price – €8.5 million



Profitability Analysis

| Code | Description | Site 1 | Site 2 | Site 3 |
|----------|--|------------------------------------|---|------------------------------------|
| | Type of Building | Mixed Use | Manufacturing & Commerical | Industrial |
| | Address | Ballymoneen Road, Galway City West | Parkmore West Business & Technology Park, Galway (4 135 sq m) | Newhall, Naas, Kildare (5066 sq m) |
| A | Site Purchase Cost | 11,000,000 | 6,000,000 | 8,500,000 |
| B | Building Costs | 42,186,050 | 10,428,400 | 8,612,200 |
| C | Communal Spaces/ Roads/ Paths/ Landscaping/ Site works | 17,366,100 | 4,620,000 | 16,095,000 |
| E=(B+C) | Total Construction | 59,552,150 | 15,048,400 | 24,707,200 |
| F=(E+A) | Total Developmental Cost | 70,552,150 | 21,048,400 | 33,207,200 |
| G | Total Selling Price | 122,325,000.00 | 39,104,100 | 45,594,000 |
| H= (G-F) | Developers Profit | 51,772,850.00 | 18,055,700 | 12,386,800 |
| I=H/G | Percentage Profit on Sale Price | 42% | 46% | 27% |

Feasibility Analysis

Site One:

- Best Social Infrastructure.
- Poor Land Drainage.

Site Two:

- Best Utilities
- Best % Profit on Sale Price
- Most Feasible
- Worst Social Infrastructure

Site Three –

- Best Transport Infrastructure
- Worst % Profit on Sale price

| Criteria | | | Mixed Use Development | | | Manufacturing & Commercial | | | Industrial | | |
|--------------------------|----|----------------|--------------------------|-------|---------|----------------------------|-------|---------|---------------|-------|---------|
| | | | Ballymoneen Road, Galway | | | Parkmore West Galway | | | Naas, Kildare | | |
| | | | W | R | T | W | R | T | W | R | T |
| Transport Infrastructure | 1 | Road Network | 5 | 100 | 500 | 10 | 100 | 1000 | 10 | 100 | 1000 |
| | 2 | Bus | 5 | 90 | 450 | 5 | 95 | 475 | 10 | 90 | 900 |
| | 3 | Airport | 5 | 80 | 400 | 10 | 75 | 750 | 10 | 100 | 1000 |
| | 4 | Train | 5 | 80 | 400 | 5 | 75 | 375 | 10 | 85 | 850 |
| Social Infrastructure | 5 | Shops | 10 | 100 | 1000 | 5 | 90 | 450 | 5 | 85 | 425 |
| | 6 | Hospital/ GP | 10 | 100 | 1000 | 5 | 75 | 375 | 5 | 85 | 425 |
| | 7 | Gym | 10 | 100 | 1000 | 5 | 90 | 450 | 5 | 85 | 425 |
| | 8 | Schools | 10 | 100 | 1000 | 5 | 75 | 375 | 5 | 85 | 425 |
| Utilities | 9 | Broadband | 5 | 75 | 375 | 10 | 100 | 1000 | 5 | 90 | 450 |
| | 10 | Electricity | 5 | 90 | 450 | 10 | 100 | 1000 | 5 | 90 | 450 |
| Land | 11 | Drainage | 5 | 50 | 250 | 5 | 90 | 450 | 5 | 90 | 450 |
| Site | 12 | Access to Site | 5 | 100 | 500 | 5 | 100 | 500 | 5 | 90 | 450 |
| Profit | 13 | % Profit | 20 | 95 | 1900 | 20 | 100 | 2000 | 20 | 60 | 1200 |
| Total | | | 100 | 1,160 | 116,000 | 100 | 1,165 | 116,500 | 100 | 1,135 | 113,500 |

SWOT Analysis

Site 2: Manufacturing & Commercial Development Galway East

| Site 1: Mixed use Development Galway West | | Site 2: Manufacturing & Commercial Development Galway East | | Site 3: Industrial Development Naas, Kildare | |
|---|--|--|---|---|---|
| Strengths <ul style="list-style-type: none"> ➤ Mixed Use ➤ Location ➤ Transport Network ➤ Planning Permission for 58 Extra Residential Units ➤ Good Social Infrastructure | Weaknesses <ul style="list-style-type: none"> ➤ Brownfield Site ➤ Contaminated Soil ➤ Neighbour Noise Complaints ➤ Poor Drainage ➤ Site cost over budget ➤ Insufficient Parking | Strengths <ul style="list-style-type: none"> ➤ Greenfield Site ➤ Desirable Location ➤ Good Drainage ➤ Good Catchment Area ➤ Access to Working Professionals in Manufacturing | Weaknesses <ul style="list-style-type: none"> ➤ International Travel ➤ Proximity to Airport ➤ Neighbour Complaints | Strengths <ul style="list-style-type: none"> ➤ Location ➤ Transport Links ➤ Greenfield Site ➤ Connection to Dublin Port/Airport ➤ Good Drainage | Weaknesses <ul style="list-style-type: none"> ➤ Heavy Traffic during peak times ➤ Less Profitability ➤ Landscaping/Civils works ➤ Disruption to Neighbours |
| Opportunities <ul style="list-style-type: none"> ➤ Profitability ➤ Increase supply of Housing ➤ High Demand ➤ Expansion | Threats <ul style="list-style-type: none"> ➤ Subject to a CPO ➤ Inflation ➤ Project Finance ➤ Brexit ➤ Supply Chain Issues ➤ Extra Funding | Opportunities <ul style="list-style-type: none"> ➤ High demand ➤ High Profitability (Manufacturing Pharma) ➤ Talented Workforce proximity to NUIG/GMIT ➤ High Investment Potential | Threats <ul style="list-style-type: none"> ➤ Competitive Market ➤ Supply Chain Delays ➤ Material Escalation ➤ Brexit | Opportunities <ul style="list-style-type: none"> ➤ High Demand ➤ Future Expansion ➤ Potential for Strong Investment | Threats <ul style="list-style-type: none"> ➤ Inflation ➤ Supply Chain Issues ➤ Material Escalation ➤ Brexit ➤ Labour Shortages ➤ Availability of Workforce |

Manufacturing and Ancillary Office Development Located in Parkmore West IDA Business Park



Estimated Profit on sale Price is Good @ 46%

Less Risk Financially

Desirable location for End Use

High investment potential within Life Sciences/ Manufacturing

Industry expected to expand into 2022-2023

Feasible

- Good Transport Infrastructure
- Access to Talented Workforce (GMIT/NUIG)
- Greenfield Site
- Good Drainage
- Good Social Infrastructure
- High Demand
- Provides Employment
- Access to High Fibre Speed Broadband

