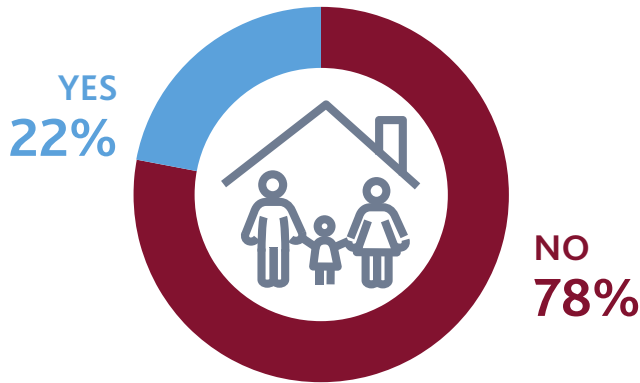




RESIDENTIAL DEVELOPMENT INDUSTRY SENTIMENT SURVEY

MARCH 2023

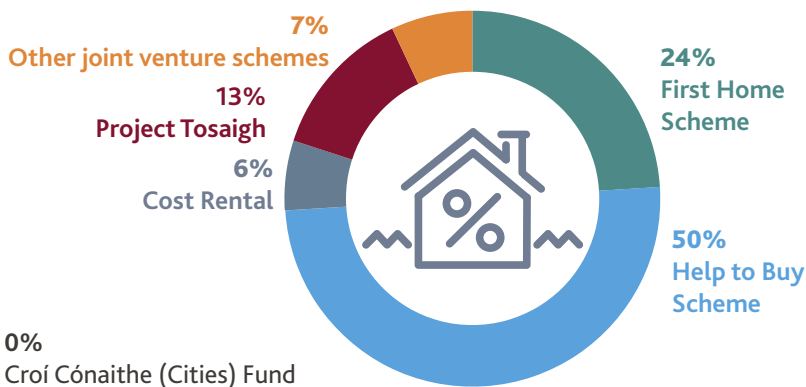
Q1 Have you availed of the Croí Cónaithe (Cities) Fund or Project Tosaigh incentives under the Housing for All plan?



Only 22% of respondents confirmed that they had availed of these incentives under the Housing for All plan.

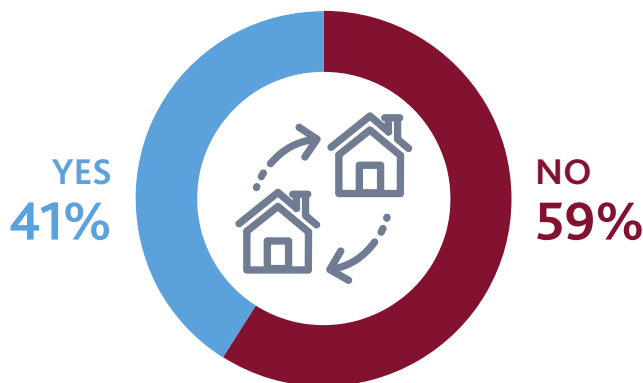
Developers who have not availed of these incentives cited reasons such as their sites are not suitable or the incentives were not available in their location for varying reasons. Developers also proffered that the application process for the schemes was too complicated and that there was too much bureaucracy and red tape involved.

Q2 In the medium to long-term, which initiative within the Government's Housing for All plan will have the greatest positive impact on supply?



Half of respondents feel that the Help to Buy scheme will have the most positive impact on the supply of housing in Ireland. Respondents were effectively unanimous in their collective view.

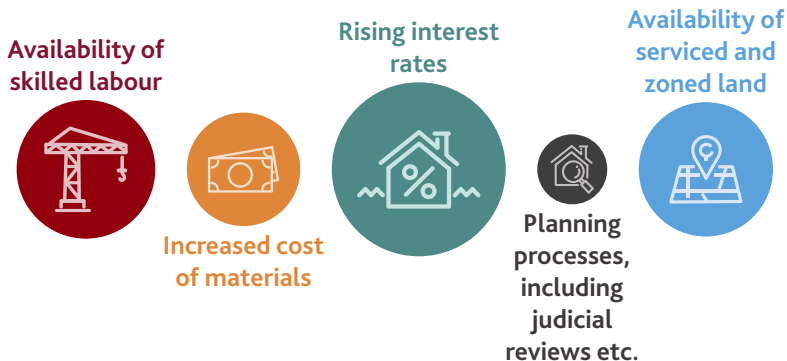
Q3 Have you been involved in any joint public-private housing ventures with local government, approved housing bodies or other?



The majority of respondents stated that they have not engaged in a joint public-private housing venture at any level.

However, a significant minority said that they had.

Q4 In your opinion, what are the primary challenges facing the construction/residential property development sector?



Almost half of the respondents (44%) believe that the current planning process is the greatest challenge facing the residential development sector, from the five current issues included in the survey.

Just over one-fifth believe the availability of skilled labour is the most challenging issue (22%), whereas just under one-fifth believe that the increased cost of materials is the primary issue (18%). The remaining concerns include the availability of serviced and zoned land (9%) and rising interest rates (6%).

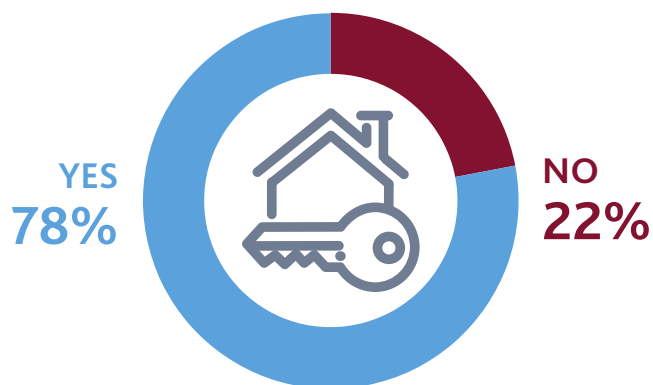
Q5 Have you taken the decision this year to postpone a new development/new phase of an existing development due to some or all of the factors above?



Quite concerningly, a majority of 57% of developers who responded to the survey have taken the decision to postpone the commencement of a building project due to the factors outlined above.

The question posed in the survey included the commencement of a new development or a new phase of an existing development.

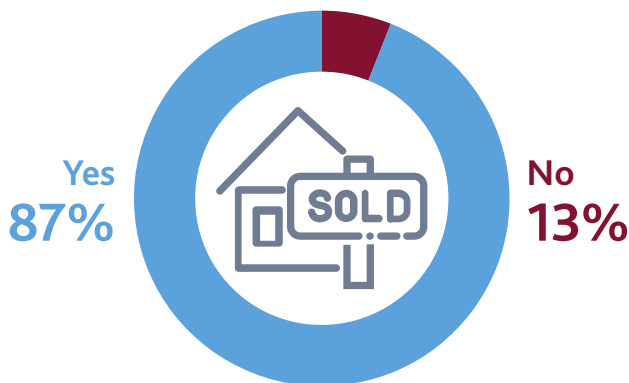
Q6 Are the majority of your first-time buyers availing of the First Homes Scheme and Help to Buy Scheme?



The developers polled collectively stated that over three-quarters of their customers are availing of either the First Home scheme or the Help to Buy scheme.

Only 22% of developers stated that their customers were not availing of these schemes. They have suggested that a reduction in the VAT rate for new homes would also benefit affordability.

Q7 Is the combination of the Help To Buy Scheme and First Homes Scheme supporting affordability for first-time buyers?



The developers polled were all but in positively unanimous (94%) in their response when questioned on the effectiveness of the Help To Buy and First Home schemes regarding affordability.

The developers polled were overwhelmingly supportive of the Help To Buy and First Home schemes, as included in the Housing for All plan.

Q8 In your view how important are the above schemes?

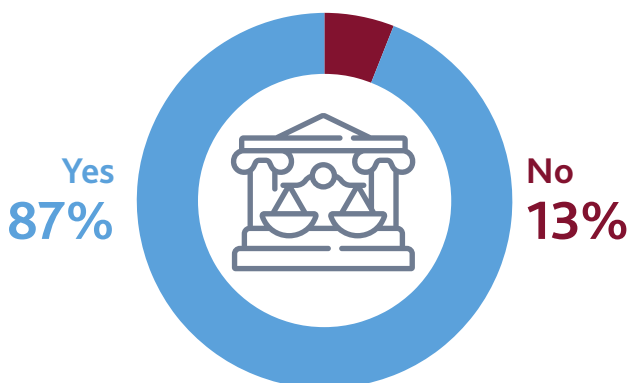


SCORE
4.2

Respondents further outlined their positive views on the Help To Buy and First Home schemes by providing a combined rating of 4.2 out of 5.0.

This high rating further reflects how essential developers feel the schemes are in supporting first-time buyers.

Q9 Do you have viable units held up by planning or legal challenges?



Developers estimate that there are between 17,000 and 30,000 units in total currently held up in the planning process and judicial reviews.

When responses to this question are considered in the context of replies to question 5, it is apparent that the over-riding view is that the current planning system is not fit for purpose. In selected comments, individual developers have claimed that 2,500 to 4,000 units of their prospective housing stock are mired in the planning system.



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