



## STRATEGIC REPORT

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ASSET: HAROLDS CROSS GREYHOUND STADIUM  
HAROLDS CROSS, DUBLIN 6W

PREPARED FOR: THE IRISH GREYHOUND BOARD



DATED: 20<sup>TH</sup> MARCH 2017

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**CONFIDENTIAL & COMMERCIALY SENSITIVE**

## SUMMARY OF INSTRUCTION

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The Savills logo, consisting of the word "savills" in a lowercase, sans-serif font, with the 's' in red and the remaining letters in black. It is positioned in the top right corner of the page.

<b>Addressee:</b>	The Irish Greyhound Board (IGB), Greenpark, Dock Road, Limerick.
<b>Property Address:</b>	Harolds Cross Greyhound Stadium, Harolds Cross, Dublin 6W.
<b>Tenure:</b>	We understand the property is held freehold with the exception of the house located at 149/149A Harold's Cross Road which is held under a 999 year lease, due to expire 24 March 2017. Holmes O'Malley Sexton Solicitors are preparing to serve a notice to acquire the fee simple of the house located at 149/149A Harold's Cross Road before 24 March 2017.
<b>Instruction:</b>	<p>In accordance with your instruction, we have prepared a strategic review and opinion of value of Harolds Cross Greyhound Stadium. We have reviewed the planning report carried out by John Spain Associates and legal reports by Arthur Cox Solicitors in order to fully explore the valuation of the property and range of development options available to maximise and extract the optimum value of this key asset, including timeframes and risk associated with each option.</p> <p>We have provided our opinion on pricing "as is" and secondly if the zoning objective is altered to a more favourable zoning objective where residential development is a permitted in principle use, both of which are representative of our opinion as at the date of this report. Should you decide to proceed with a sale "as is", this report also includes our sales strategy including the following:</p> <ul style="list-style-type: none"><li>• Our recommend method of sale and sales process.</li><li>• Marketing &amp; sales timelines and programmes.</li><li>• Pre-Sale Due Diligence – We outline an action list of items required to get the asset to market, particularly regarding the legal implications of the subject lands.</li><li>• Recommended marketing strategy and associated costs.</li><li>• Identification of potential purchasers.</li></ul>
<b>Inspection:</b>	Harolds Cross Greyhound Stadium was inspected by
<b>Personnel:</b>	This advice has been prepared by



## SUMMARY OF INSTRUCTION

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### Sources of Information & Assumptions:

As agreed, Savills have sub-contracted John Spain Associates to provide a full planning review of Harolds Cross Greyhound Stadium. We have relied upon this advice for the purposes of this report. We have referenced and included numerous sections of this planning advice into this report.

We have been provided with a report on title from Arthur Cox Solicitors. We have relied upon this report and legal advice by Arthur Cox for the purposes of providing our advice to you.

We have not measured any buildings.

The site size has been estimated utilising an online measurement tool from the Ordnance Survey website.

We have assumed that all main services including water, drainage, electricity and telephone are available where applicable. We have not investigated or tested the availability or adequacy of any services for the purposes of this report. However, we are not aware of anything that causes concern.

While we cannot confirm the accuracy of the information referred to above, we have exercised our professional judgement in determining the reliability of the source and the information and confirm that we are prepared to professionally rely upon it.

Finally, please note our views on price and value are not intended as formal valuations and should not be relied upon as such. They are given in the course of our advisory role and do not come within the scope of the Valuation and Appraisal Manual issued by the Society of Chartered Surveyors. Our views therefore should not be relied upon for loan security purposes without further advice.

# EXECUTIVE SUMMARY

## THE PROPERTY

Harolds Cross Stadium comprises a greyhound stadium, ancillary outbuildings and surface car parking situated on a site extending to approximately 2.59 hectares (6.40 acres) and a three storey house located at the entrance to the property.

## ZONING OBJECTIVES

Under the Dublin City Development Plan 2016-2022, the majority of the subject site is zoned Z9 (Amenity/Open Space Lands/Green Network) which is defined as 'To preserve, provide and improve recreational amenity and open space and green networks'. Generally the only new development allowed in areas zoned Objective Z9, other than the amenity/recreational uses, are those associated with the open space use. Three areas which we have estimated extend to approx. 0.55 acre combined are zoned Objective Z1 (Sustainable Residential Neighbourhoods) which is defined as 'To protect, provide and improve residential amenities'.

## LOCAL AREA PLAN

The recently adopted Dublin City Development Plan 2016 – 2022 designates Harold's Cross as an area requiring a statutory Local Area Plan (LAP). The provision of a future LAP for Harold's Cross will provide the opportunity to make a rezoning submission relating to the subject site. However there are no identified timescales for the preparation of the Harold's Cross LAP which JPA believe is not a priority for Dublin City Council. **In reality, it could be several years until a LAP for the area is implemented.**

## PREVIOUS SUBMISSION TO ALTER ZONING

It is noted that a submission was submitted to Dublin City Council (DCC) in December 2015 on behalf of the IGB in relation to the Draft Dublin City Development Plan 2016 – 2022. The submission sought a change to the zoning from Z9 to Z12 which would have permitted residential development with 20% open space in accordance with a Master Plan, subject to planning permission. In summary, it is noted that the principle of residential development and a Z1 (Residential) zoning was considered to be more appropriate by the Chief Executive than Z12. However, a motion was proposed by a number of Councillors to retain the existing Z9 zoning and that the rezoning was premature given the lack of any wider planning framework (i.e. LAP) for the area. At a special meeting of the Council on the 1st June 2016, the proposed motion to retain the Z9 zoning was passed **33 to 2 by Elected Members.**

## OPTIONS AVAILABLE TO SEEK TO RE-ZONE THE LANDS

Local Area Plan	Material Contravention	Development Plan Variation
There is an option to await the preparation of the LAP. However, there are no identified timescales for the preparation of the LAP and JPA advise it is their understanding it is not a priority for DCC	Submitting a planning application for residential/commercial development on the subject site would be a material contravention of the Development Plan. JPA do not recommend this option.	There are two Development Plan variation options available as further detailed in the Recommended Route for Rezoning: <ul style="list-style-type: none"><li>• Rezone to Z1, Z10</li><li>• Rezone to Z1, Z10 with an SDRA objective</li></ul>



## EXECUTIVE SUMMARY

### Recommended Route for Rezoning

JPA believe there is potential to seek a variation to the Development for a Z1 (Residential) or Z10 (Mixed - Use) zoning with an SDRA designation. The SDRA would replace the need for an LAP. If an SDRA designation is sought it would need to encompass a larger area than the subject site itself. However, JPA believe this option may be more palatable for Elected Members than the other options detailed. The timing of this approach is detailed in the next section.

### **STRATEGIC OPTIONS AVAILABLE**

As we see it, there are two routes/options available to the IGB. Option 1 is a sale today 'as is' with a variation of a sale 'as is' with a top up/overage payment once a purchaser secures a rezoning. The second option is for the IGB to sit and hold the asset for a number of years and try to rezone themselves or with a third party. We have explored these options further;

<u>Sale 'as is'</u>	<u>Hold and rezone prior to disposal</u>
<u>Summary of Option</u>  This option can result in a straight sale 'as is' with the full purchase price payable upon completion of a sale or secondly a sale 'as is' with a reduced/discounted price payable upon completion of the sale with a further predetermined amount payable only if the lands are successfully rezoned. To participate in this type of structure where an uplift is paid upon successful rezoning only would result in a discount to the upfront payment receivable, with no assurance of success around a rezoning. Therefore, knowing the Boards objectives around maximising value, and reducing risk in the transaction we cannot recommend this option.	<u>Summary of Option</u>  There is the option to hold the asset, seek a rezoning and subsequently dispose of the asset. However we note your recent unsuccessful submission and attempt to rezone the lands.
<u>Value</u>  We have had regard to comparable sales, and also the portion of the lands zoned for residential development. We have also had regard to our opinion on price were the property to benefit from a favourable zoning objective, permitting residential development in principle.  Our view on price is therefore in the region of <b>€5,000,000 - €6,000,000</b> , equating to approx.	<u>Value</u>  We have had regard to comparable sales detailed in section 7. We have also had regard to the feasibility assessment by O'Mahony Pike Architects contained in the submission made on behalf of the IGB to DCC to underpin the value. The feasibility demonstrates the potential of the lands to accommodate 150 – 175 residential units comprising 25 – 30 houses and 120 – 150 apartments.



## EXECUTIVE SUMMARY

<p>€977,000 - €1,172,000 per acre (based on the net developable area assuming 20% of the lands will be required for open space). There is significant local stakeholder opposition to rezone the subject property, which has been seen by the recent closure of the property and the views by the elected councilors in the previous attempt to rezone the lands. We have taken this local stakeholder resistance in a future sale and rezoning attempt into account when assessing our view on price.</p>	<p>, resulting in a value of <b>€10,000,000 - €12,000,000</b>, equating to a rate of €1.95 million - €2.34 million per acre based on the net developable area (assuming 20% of the lands will be required for open space).</p>
<p><b><u>Process</u></b></p> <p>Should you decide to proceed with a sale 'as is', we recommend a sale by private treaty/expressions of interest. This would consist of inviting all interested parties to submit their expressions of interest within 4 - 6 weeks of the launch date.</p> <p>Following expressions of interest, we would then review each proposal and make a recommendation as to the number of parties that should be invited to participate in a final bid process. For the final bid process, we would request parties to submit a marked up contract with any requested amendments, additions or omissions clearly outlined in addition to the above information.</p>	<p><b><u>Process</u></b></p> <p>The Process in this regard is following the recommended route for rezoning and seeking a variation to the Development Plan for a Z1 (Residential) or Z10 (Mixed - Use) zoning with an SDRA designation. JPA have provided a summary of this process:</p> <ol style="list-style-type: none"> <li>1. A framework (outlining specific objectives, land use, heights etc.) would need to be prepared by a design team.</li> <li>2. The proposed rezoning and SDRA would need to be discussed and agreed with City Council executives.</li> <li>3. Extensive stakeholder engagement required.</li> <li>4. Statutory Development Plan Variation Process.</li> </ol>
<p><b><u>Costs</u></b></p> <p>We recommend a high profile marketing campaign for a prime asset of this nature. Sales agent fees and marketing are estimated at ex. VAT. Other costs for this option include legal fees. Town Planner and Engineers costs have already been incurred.</p>	<p><b><u>Costs</u></b></p> <p>A significant budget needs to be set aside for this timely process. A professional team will need to be appointed including an Architect, Town Planner, a Lobbyist, Services Engineer and Roads Engineer. You will also incur holding costs. The costs of this option could result in a total outlay of</p>
<p><b><u>Timing</u></b></p> <p>Should you decide to proceed with a sale 'as is', Arthur Cox have advised they will require 2-3 weeks to complete legal pre-sale due diligence and draft a contract of sale. We would then need to collectively review and comment on the contract. Therefore we</p>	<p><b><u>Timing</u></b></p> <p><b>This option may take a minimum of 3 years</b> to allow a time period to lapse from the recent unsuccessful rezoning submission, to engage with councillors and DCC, and an additional 6-12 months to complete the process.</p>



## EXECUTIVE SUMMARY



would target a launch date of Wednesday 12<sup>th</sup> April 2017 assuming an instruction is received this week. There is potential for a press release advertising the sale to feature in the press on 5<sup>th</sup> April 2017. We believe a sale could be complete by 28<sup>th</sup> July 2017.

*Please note our views on price and value are not intended as formal valuations and should not be relied upon for loan security purposes or any other major decisions without further advice. They are given in the course of our estate agency role and do not come within the scope of the Valuation and Appraisal Manual issued by the Society of Chartered Surveyors. Our views on value therefore should not be relied upon for loan security purposes or any other major decisions without further advice.*

### Buyer Pool

The potential purchasers can be categorised as detailed below. There will be a common theme amongst the buyer pool – they will be cash purchasers. Due to the nature of the property, debt funding will not be an option for most.

Developer	Sports Clubs	Semi – State Bodies / Institutional	Owner Occupiers
		<p>We are of the opinion a number of semi-state bodies may have an interest in the subject lands.</p> <p>However, they have recently advised they have no further interest in the property. This position may change.</p>	<p>We are of the opinion Harolds Cross Stadium could appeal to parties who are currently occupying assets zoned for development in Dublin that need to relocate in order to unlock the value of their asset. The subject property could act as a catalyst in this regard.</p>

We also believe the subject site may appeal to Student Accommodation operators, which we have taken into account when assessing our opinion of value.

# CONTENTS

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1.	INTRODUCTION .....	9
2.	LOCATION.....	10
3.	DESCRIPTION.....	11
4.	TOWN PLANNING .....	12
5.	LEGAL ISSUES / PRE-SALE DUE DILIGENCE.....	22
6.	VALUE.....	25
7.	CONCLUSION AND ACTION POINTS .....	31
8.	SALES STRATEGY .....	32
9.	MARKETING .....	34
	APPENDIX 1- PHOTOGRAPHS .....	37
	APPENDIX 2 PRE-SALE DUE DILIGENCE .....	Error! Bookmark not defined.
	APPENDIX 3 MARKET OVERVIEW .....	39
	APPENDIX 4 PLANNING REPORT – JOHN SPAIN ASSOCIATES .....	45



## 1. INTRODUCTION

In accordance with your instruction, we have prepared a strategic review and opinion of value of Harolds Cross Greyhound Stadium. We have reviewed the planning report carried out by John Spain Associates and legal reports by Arthur Cox Solicitors in order to fully explore the valuation of the property and range of development options available to maximise and extract the optimum value of this key asset, including timeframes and risk associated with each option. We have also provided a detailed sales strategy in the event you decide to proceed with a sale "as is".

*Please note our views on price and value are not intended as formal valuations and should not be relied upon for loan security purposes or any other major decisions without further advice. They are given in the course of our estate agency role and do not come within the scope of the Valuation and Appraisal Manual issued by the Society of Chartered Surveyors.*

*Please note that this report is for the attention of the Irish Greyhound Board. However, we note the report will also be provided to the following parties;*

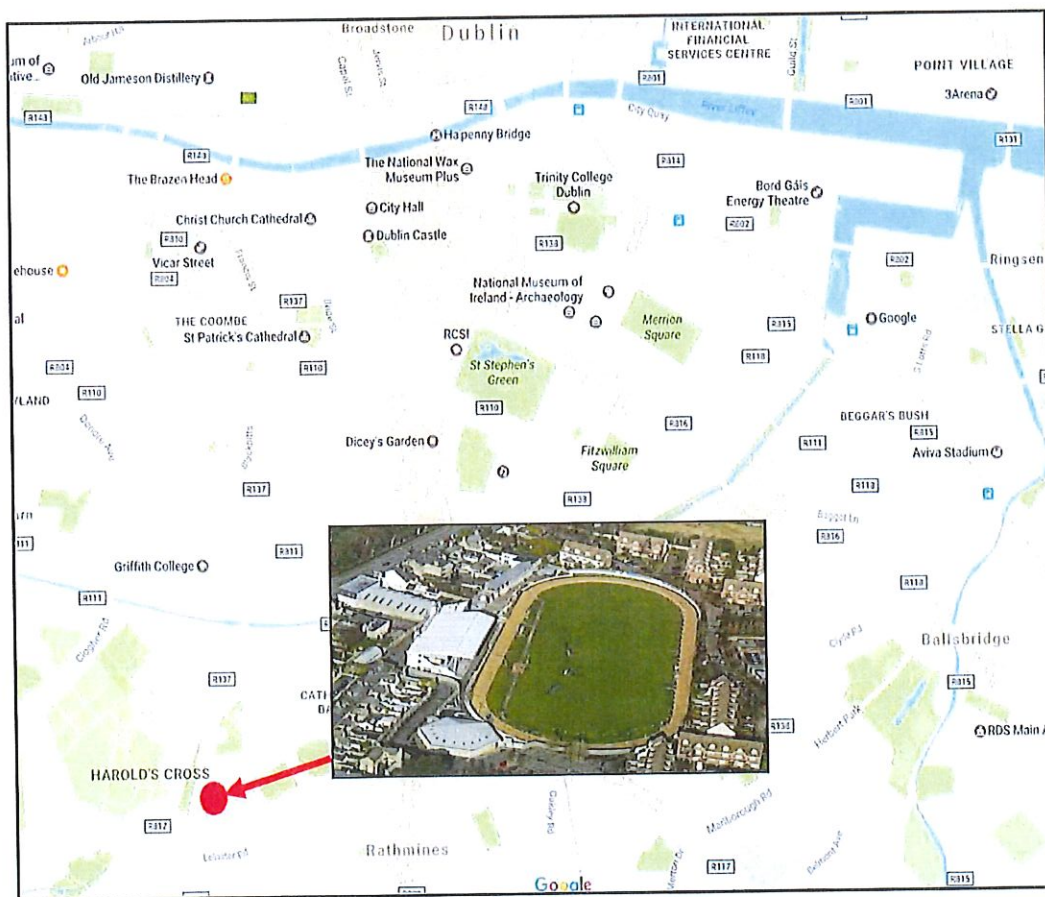
**AIB**  
**Department of Agriculture, Food and the Marine**  
**Department of Finance**  
**KPMG**

*This report should not be provided to any other third party without prior approval.*

## 2. LOCATION

The subject property is located on the eastern side of the Harold's Cross Road, more specifically opposite Harold's Cross Park. It is accessed from one vehicular access point from the Harold's Cross Road. The property is predominately bound by residential uses.

Harold's Cross is a mature and well established suburb, situated approx. 3km south of Dublin City Centre. Harold's Cross benefits from proximity to the city centre while a number of local amenities and facilities are located locally. Harold's Cross is bounded by Portobello to the north, Rathmines to the east, Terenure to the south and Kimmage to the west.



Location Map



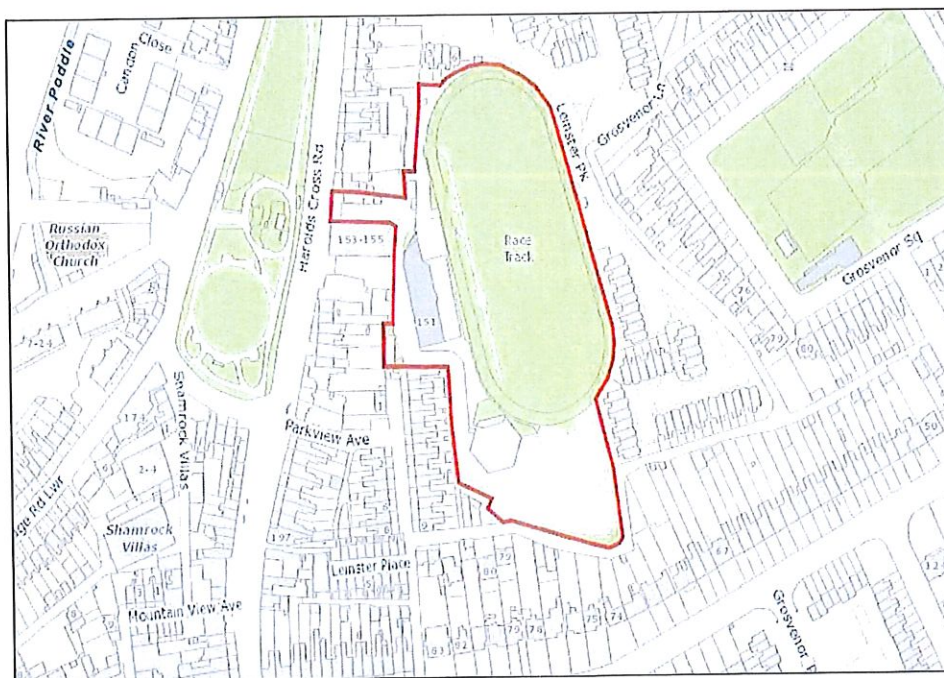
### 3. DESCRIPTION

Harolds Cross Stadium comprises a greyhound stadium, ancillary outbuildings and surface car parking situated on a site extending to approximately 2.59 hectares (6.40 acres). The greyhound stadium comprises a three storey building with a glazed frontage, which overlooks the racing track. The ground floor of the stadium comprises a number of small offices, toilets and a number of bars. A restaurant, bar, a kitchen and a number of offices are located on the first floor while the second floor provides a large restaurant/dining area and bookies area. The surface car park is located in the southern portion of the site.

The subject property also comprises 145/145A Harolds Cross Road, a three storey house located at the entrance to the property with frontage to Harold's Cross Road. This element of the site is held under leasehold title. We understand Holmes O'Malley Sexton Solicitors are preparing to imminently serve a notice to acquire the fee simple as further detailed in section 5 of this report.

We have been advised an ESB sub station is located within the boundary of the site, we understand this may be located on the western portion of the site.

The subject site is surrounded predominantly by low density two storey residential developments. The boundaries at Harold's Cross are particularly sensitive in terms of neighbouring development.



Site Plan (indicative outline)



#### 4. TOWN PLANNING

##### Planning Overview - John Spain Associates

John Spain Associates have carried out a planning overview and appraisal of the key planning issues in respect of the subject property. The report identifies key provisions from the Dublin City Development Plan 2016 - 2022 as they relate to the site, it identifies key opportunities, constraints and issues in relation to the site from a planning perspective. Having regard to the current use, location and relevant planning policy context, the report provides high level advice in respect of the type of enhancement in planning terms that the site would benefit from.

The report also provides high level strategic advice regarding options and the optimal approach to achieving a potential rezoning of the site. The report provides general advice regarding the material contravention and variation processes applicable under current planning legislation and the implications and likelihood of such in achieving successful rezoning of or planning permission on the subject site. The report also provides advice regarding the timescale, process, inputs and costs including wider stakeholder engagement that would be required to achieve a successful rezoning and or planning permission on the lands. A copy of the Executive Summary of this report is attached in Appendix 4. The findings of this report are detailed throughout the report, particularly in Section 5, Recommended Route for Rezoning.

##### Zoning

Under the Dublin City Development Plan 2016-2022, which was adopted on the 21st October 2016, the majority of the subject site is zoned Z9 (Amenity/Open Space Lands/Green Network). Objective Z9 is defined as 'To preserve, provide and improve recreational amenity and open space and green networks'.

In areas zoned Objective Z9 generally the only new development allowed in these areas, other than the amenity/recreational uses, are those associated with the open space use. In certain specific circumstances where it has been demonstrated to the satisfaction of the Planning Authority that there is a need for ancillary development to take place in order to consolidate or retain the sporting and amenity nature of Z9 lands or an existing facility in a local area, some limited degree of (residential/retail) development may be permitted on a once-off basis and subject to the primary use of the site being retained for sporting or amenity uses. In all cases the applicant shall submit a statement, as part of a legal agreement under the Planning Acts, demonstrating how the sports facility will be retained long term on site.

##### Z9 Permissible uses include:

Club house and associated facilities, Municipal golf course, Open space, Cemetery, Public service installation which would not be detrimental to the amenity of Z9 zoned lands.



Z9 Open for Consideration uses include:

Tea room, Café/Restaurant, Car park for recreational purposes, Caravan park/Camp site (holiday), Community facility, Craft centre/craft shop, Crèche, Cultural/recreational building and uses, Golf course and clubhouse, Kiosk, neighbourhood retail (in accordance with highly exceptional circumstances).

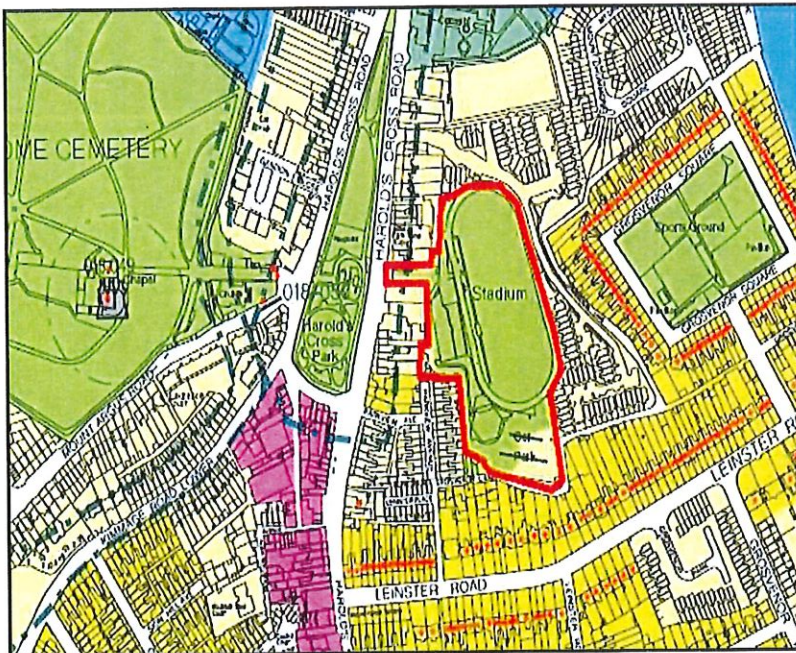
Three areas which we have estimated extend to approx. 0.55 acre are zoned Objective Z1 (Sustainable Residential Neighbourhoods). These areas comprise a 0.41 acre south east portion of the site currently in use as a car park, a 0.08 acre western portion upon which the ESB substation may be situated and a 0.06 acre portion upon which 149/149A Harolds Cross Road is located in part. Objective Z1 is defined as 'To protect, provide and improve residential amenities'.

Z1 Permissible uses include:

Residential, Shop (local), Education, Buildings for the health, safety and welfare of the public, Childcare facility, Community facility, Cultural/recreational building and uses, Embassy residential, Enterprise centre, Halting site, Home-based economic activity, Medical and related consultants, Open space, park-and-ride facility, Place of public worship, Public service installation, Training centre.

Z1 Open for Consideration uses include:

Bed and Breakfast, Public house, Restaurant, Betting office, Car park, Civic and amenity/recycling centre, Garden centre, Golf course and clubhouse, Hostel, Hotel, Industry (light), Live-work units, Media associated uses, Petrol station, Pigeon lofts, Veterinary surgery.



Zone Z9 To preserve, provide and improve recreational amenity and open space and green networks

Zone Z1 To protect, provide and improve residential amenities

Zoning Map (extract Dublin City Development Plan 2016-2022)



### Local Area Plan

The recently adopted Dublin City Development Plan 2016 – 2022 designates Harold's Cross as an area requiring a statutory Local Area Plan. The provision of a future LAP for Harold's Cross will provide the opportunity to make a rezoning submission relating to the subject site. However, there are no timescales relating to the delivery of the LAP. The Development Plan states that this is to be determined by Councillors and is dependent on the City Council's order of priority and internal resources to prepare an LAP.

### Planning History / Section 38 Agreement

Permission was granted by Dublin City Council on the 25th of January 1999 for the following development at Harold's Cross Greyhound Stadium:

*"Housing development on existing derelict land of 1.97 hectares comprising of 86 two-storey plus dormer roof space houses with vehicular and pedestrian access off Harold's Cross Road and pedestrian access off Leinster Lane and Grosvenor Lane. The application includes realignment in part of Leinster Lane and Grosvenor Lane and a right-of-way adjoining no. 119 Harold's Cross Road together with general site works, boundary walls, etc."*

The Council's grant of permission was subject to 16 no. conditions including notably condition 10 below regarding a section 38 Agreement;

"Prior to commencement of development, the applicants shall enter into a **Section 38 agreement** under the Local Government (Planning and Development) Act 1963 confining the area of Harold's Cross Stadium (as defined in the permission granted under plan no. 2037/98) to sport and recreational use which is open to the public and excluding any use of this area for residential, commercial or industrial purposes.  
Reason: *To provide for the proper planning and development of the area.*"

Section 38 is a restrictive covenant and has the power to restrict the future development of the land to which it pertains. A copy of this agreement needs to be obtained from Dublin City Council and any restrictions it imposes needs to be verified. It should also be verified with Dublin City Council whether a Section 38 agreement was entered into. We note from correspondence to date, Arthur Cox Solicitors or the IGB are unaware of any such agreement entered into. However, it is our understanding from discussions with Arthur Cox Solicitors that even if an agreement was not entered into, it may still be enforceable as it was specifically a condition imposed on the aforementioned grant of planning permission.

### Existing Buildings – Planning Issues

We understand from Arthur Cox Solicitors there may be some buildings within Harold's Cross Stadium that are not fully compliant with the planning permission granted. However, as potential purchasers may be a developer seeking to demolish most/all of the buildings on site, we are of the opinion this is not a high priority matter that requires a retention planning application prior to a sale. Any such application could delay the sale by a minimum of 3-6 months, potentially considerably longer, within which you would incur planning and holding costs.



Previous submission to alter zoning

We have been provided with a copy of the unsuccessful submission made on behalf of the Irish Greyhound Board (IGB) to Dublin City Council by McCutcheon Halley Walsh Planning Consultants in December 2015 to alter the zoning from Objective Z9 to Z12 'Institutional Land (Future Development Potential)'. Z12 zoning would have permitted in principle residential development with 20% open space in accordance with a Master Plan.

The Chief Executive considered that the Z12 zoning, as proposed by the IGB was not the appropriate zoning for this site for a number of reasons. The Z12 zoning requirement is for 20% publically accessible open space, rather than the 10% for Objective Z1 (Residential). He cited that given that the Department of Environment Community and Local Government are seeking to explore how land-use zoning can increase supply of housing in the city; and that this site has the potential to provide 200 residential units (including 10% open space as required in the Development Plan) the Chief Executive concluded that the site should be zoned objective Z1, (residential with 10% open space).

However, a motion was proposed by a number of Councillors. The motion proposed that the Council resolved to retain the existing Z9 zoning for the Greyhound Stadium site in the interest of ensuring sustainable plan led development. The motion stated that the Chief Executive's report on the draft plan focuses more on the lack of business viability and the motion states that significant evidence exists to prove that the current Greyhound Track is financially viable. The motion stated that the rezoning was premature given the lack of any wider planning framework (i.e. a Local Area Plan) for the development of the urban village of Harold's Cross.

The motion questioned the IGB submission in particular the survey of open space in the local area which stated that 16% of the local area comprises open space. The motion stated that this included the very large Mount Jerome graveyard which is in private ownership and could not be regarded as true public open space, adding that the Greyhound Stadium is also used as an active recreational space for tag rugby. In conclusion, the motion stated that the current Z9 zoning should remain in place in order to allow a broader Local Area Plan to be prepared. At a special meeting of the Council on the 1st June 2016 the proposed motion to retain the Z9 zoning was passed **33 to 2 by Elected Members**.

## OPTIONS AVAILABLE TO SEEK TO RE-ZONE THE LANDS

We have reviewed the Planning Overview completed by John Spain Associates (JPA). We hereby outline and summarise the primary options available to re-zone the lands.

### Local Area Plan

There is an option to await the preparation of the LAP. The statutory LAP process takes a minimum of approximately 18 weeks to complete, from the date on which the draft plan is placed on public display up to a maximum of 35 weeks allowing for amendments to a draft LAP. However there are no identified timescales for the preparation of the Harold's Cross LAP which JPA believe is not a priority for Dublin City Council. **In reality, it could be several years until a LAP for the area is implemented.** An option is to instruct JPA to discuss the possibility of an LAP being progressed with DCC.

### Material Contravention

A planning application for the overall redevelopment of the site for residential or commercial uses under the Z9 zoning objective would be a material contravention of the Dublin City Development Plan 2016 – 2022. The statutory material contravention process takes a minimum of approximately 18 weeks to complete from the date on which the application is lodged up to the decision of the planning authority. However, a planning application and scheme of developments needs to be designed in advance. Therefore this option is likely to take **well in excess of one year.**

In a case in which the development concerned would contravene materially the Development Plan or LAP, a planning authority may decide to grant planning permission provided that certain requirements are complied with before the decision is made.

If it is considered appropriate to progress an application on the basis of the current zoning and the proposal contravenes the zoning objective, it would need the support of the Council Executive. However JPA believe this is unlikely to be forthcoming given the political sensitivities around such decisions and they do not recommend this approach.

### Development Plan Variation

The below two options relate to a variation of the Dublin City Development Plan 2016 – 2022.

#### **Rezone to Z1, Z10**

JPA state there is potential to seek a variation to the existing Z9 zoning under the Dublin City Development Plan 2016 – 2022 to alter the zoning of the lands to a Z1 (Sustainable Residential Neighbourhoods) or Z10 (Inner Suburban and Inner City Sustainable Mixed - Use) zoning. They state that having regard to the recent preparation of the draft Dublin City Development Plan 2016 – 2022 it is evident that a



potential variation to the Development Plan is likely to receive initial opposition from local residents and Elected Members in particular without the preparation of a Local Area Plan. The variation process would involve significant engagement and consultation with the Council, the local community and Elected Members.

**This option may take a minimum of 2-3 years** to allow a time period to lapse from the recent unsuccessful rezoning submission, to engage with councillors, the community and DCC, and a minimum of 4 months to complete the process.

#### **Rezone to Z1, Z10 with an SDRA objective**

Another potential option identified by JPA is to seek a variation of the Dublin City Development Plan 2016 – 2022 to designate the proposed Harold's Cross LAP area as a Strategic Development & Regeneration Area (SDRA) with a Z1 or Z10 zoning objective. The SDRA would replace the need for an LAP. SDRAs represent significant areas of the inner and outer city with substantial development capacity and the potential to deliver the residential, employment and recreational needs of the city. An SDRA is a much simpler mechanism than a local area plan and would involve lesser input from Dublin City Council planners. However, if an SDRA designation is sought it would need to encompass a larger area than the subject site itself (similar to the proposed LAP area), as there is a risk that the Council would not consider an SDRA appropriate given the limited site area.

**This option may take a minimum of 3 years** to allow a time period to lapse from the recent unsuccessful rezoning submission, to engage with councillors and DCC, and an additional 6-12 months to complete the process.

These options are explored in greater detail in Section 5 Development Potential of this report, including the recommendation and best approach by JPA as detailed in Section 5 'Recommended Route for Rezoning'.

## DEVELOPMENT POTENTIAL

We have considered the findings of the JPA Planning Overview. We hereby set out the development potential of the lands in the short, medium and long-term

### Short-term

There is immediate potential in planning terms for the area of the site zoned Z1 (residential) in use as a surface car park to be considered for a residential planning application. JPA advise there may also be some scope to include some of the Z9 (amenity/open space) lands within such an application. However, the provision of a limited degree of residential/retail on the site in order to consolidate the sporting and amenity nature of the Z9 lands is open for consideration in highly exceptional circumstances only and will most likely limit future development. It is noted that this may conflict with condition no. 10 relating to planning application Ref: 2037/98 which required the applicants to enter into a Section 38 agreement. In all such cases applicants are required to be the sport club owner/occupier and submit a statement, as part of a legal agreement under the Planning Acts, demonstrating how the sports facility will be retained long term on site.

Any development would also require the consolidation and reconfiguration of existing car parking arrangements within the site. To progress such an application, a design team would need to be appointed to draw up a feasibility study for the site. Pre-application discussions with the Council are recommended prior to the lodgement of any potential planning application to Dublin City Council.

However, seeking to develop this portion of the site will restrict the development potential of the remainder of the site. If the Greyhound Stadium use is to be retained in the long term there is potential to explore this option, however due to recent events, we understand this may not be the case. We do not believe it is a feasible option to sell this portion of the site separately.

In respect of the lands zoned objective Z9, notwithstanding the above, there is limited short-term high value development potential of these lands due to the restricted number of permitted in principle and open for consideration uses.

### Medium - Long term opportunity

As detailed in section 4 of this report, there are a number of options available in terms of altering the zoning objective of the site / facilitating residential and commercial development including;

- Awaiting the preparation of the LAP
- A Material Contravention
- Development Plan Variation: Rezone to Z1, Z10
- Development Plan Variation: Rezone to Z1, Z10 with an SDRA objective



### Local Area Plan

There is an option to await the preparation of the LAP; however JPA advise there are no identified timescales for the preparation of the Harold's Cross LAP which is not a priority for Dublin City Council. JPA state an option is to discuss with the possibility of an LAP being progressed with DCC, however in reality it could be several years before a LAP is adopted for the area.

### Material Contravention

JPA perceive a significant risk with the material contravention procedure and believe it is likely that it would be difficult to secure a planning permission for overall redevelopment on the Z9 lands adopting this approach. JPA do not recommend the material contravention route.

### Development Plan Variation

#### **Rezoned to Z1, Z10**

If it is intended to pursue a rezoning of the lands, then the Development Plan Variation process would need to be followed. JPA believe there is potential to seek a variation to the existing Z9 zoning under the Dublin City Development Plan 2016 – 2022 to rezone the lands to a Z1 Sustainable Residential Neighbourhoods) or Z10 (Inner Suburban and Inner City Sustainable Mixed- Use) zoning.

Having regard to the recent preparation of the draft Dublin City Development Plan 2016 – 2022 JPA outline it is evident that a potential variation to the Development Plan is likely to receive initial opposition from local residents and Elected Members in particular without the preparation of a Local Area Plan. The variation process would involve significant engagement and consultation with DCC, the local community and Elected Members.

**This option may take a minimum of 2-3 years** to allow a time period to lapse from the recent unsuccessful rezoning submission, to engage with councillors, the community and DCC, and a minimum of 4 months to complete the process.

#### **Rezoned to Z1, Z10 with an SDRA objective**

As advised, another option is to seek a variation of the Dublin City Development Plan 2016 – 2022 to designate the proposed Harold's Cross LAP area as a Strategic Development & Regeneration Area (SDRA) with a Z1 or Z10 zoning objective. The SDRA would replace the need for a LAP. SDRA areas represent significant areas of the inner and outer city with substantial development capacity and the potential to deliver the residential, employment and recreational needs of the city. An SDRA is a much simpler mechanism than a local area plan and would involve lesser input from Dublin City Council planners.

JPA believe that having regard to the previous views of Elected Members and the motion which was passed to retain the existing Z9 zoning in the current Dublin City



Development Plan 2016 – 2022, the potential option to seek a variation to the Dublin City Development Plan 2016 – 2022 for a Z1 or Z10 zoning with an SDRA designation may be more palatable for Elected Members. This option would provide a planning framework and set of guiding development principles relating to the site and items such as height, density, mix of uses, open space which would have to be agreed by the Elected Members. It would also provide the opportunity to provide some element of planning gain (such as a social/community facility) as part of the SDRA objectives which may help gain the support of local councillors. As detailed in the minutes of the Council's Special meeting of the 1st June 2016, it is noted that the need for a secondary school was raised. This may be an avenue worth exploring further regarding local and community needs and whether there is potential to provide significant planning gain (e.g. school or community lands) to the local community as part of the redevelopment of the site.

JPA believe it is possible that seeking a variation to the Dublin City Development Plan 2016 – 2022 for a Z1 or Z10 zoning with an SDRA designation would help address the previous concerns regarding the lack of a LAP and development framework.

**This option may take a minimum of 3 years** to allow a time period to lapse from the recent unsuccessful rezoning submission, to engage with councillors and DCC, and an additional 6-12 months to complete the process.

#### **Development Potential Summary and Recommended Route for Rezoning**

In the short-term, there is potential for the area of the site zoned Z1 (residential) to be considered for a residential planning application. While JPA advise there may also be some scope to include some of the Z9 (amenity/open space) lands within this application, there is uncertainty regarding the Section 38 agreement as previously detailed and this may restrict this possibility. However, seeking to develop this portion of the site will restrict the development potential of the remainder of the site. We do not believe it is feasible to dispose of this element of the site separately. If the Greyhound Stadium use is to be retained in the long term there is potential to explore this option, however we understand this may not be the case.

In respect of the lands zoned objective Z9, notwithstanding the above, there is limited short-term high value development potential of these lands.

The Z9 zoning objective for the majority of the subject lands does not permit residential / commercial development in principle. Therefore in order to alter the zoning objective of the property, the medium – long term options available are identified in this section.

**JPA recommend that further discussions are undertaken with Dublin City Council regarding the potential for a variation of the Development Plan.** To progress this option, it is dependent upon the co-operation and agreement of the City Council Executive. JPA believe, subject to this agreement there is a potential option to seek a variation to the Dublin City Development Plan 2016 – 2022 for a Z1 or Z10 zoning with an SDRA designation which may be more palatable for Elected Members than a material contravention of a variation to Z1 or Z10 without the SDRA



designation. JPA believe this is the optimum approach to seeking a more favourable land use zoning objective for the lands. They have provided a summary of this process:

1. A framework (outlining specific objectives, land use, heights etc.) would need to be prepared by a design team.
2. The proposed rezoning and SDRA would need to be discussed and agreed with City Council executives.
3. Extensive stakeholder engagement required.
4. Statutory Development Plan Variation Process.

**This option may take a minimum of 2 - 3 years** to allow a time period to lapse from the recent unsuccessful rezoning submission, to engage with councillors and DCC, and an additional 6-12 months to complete the process.

For the first stage, a meeting will need to take place with the

to discuss the possibility of a rezoning and an SDRA designation (in place of an LAP). Only following such a meeting would it be possible to gauge the likelihood of support and timescales.

Prior to meeting with DCC, a masterplan architect need to be appointed to prepare an outline masterplan for the SDRA which would be presented to DCC.

## 5. LEGAL ISSUES / PRE-SALE DUE DILIGENCE

We have included a standard pre-sale due diligence checklist in Appendix 2. If you decide to proceed with a sale 'as is', it is imperative that pre-sale due diligence is completed to avoid any issues / price impairment once the property is launched to market. We note a number of these matters are progressed as part of the overall review of the subject lands including the title summary and declaration of identity.

Arthur Cox have prepared a Report on Title. We have highlighted the items below in order of priority items they have flagged in respect of the subject property as detailed below.

### Section 38 Agreement

**This is an area of concern which may detrimentally impact on the future development potential of the site.** We note from correspondence to date, Arthur Cox Solicitors or the IGB are unaware of any such agreement entered into. However, Arthur Cox have advised that even if an agreement was not entered into, it may still be enforceable as it was specifically a condition imposed on the grant of planning permission detailed earlier in this report. It is our understanding that if a variation of the Development Plan is sought, this agreement may still be enforceable. This requires further investigation and discussions with Dublin City Council. **Our opinion of values assumes the Section 38 Agreement does not detrimentally impact on the future development potential of the site.**

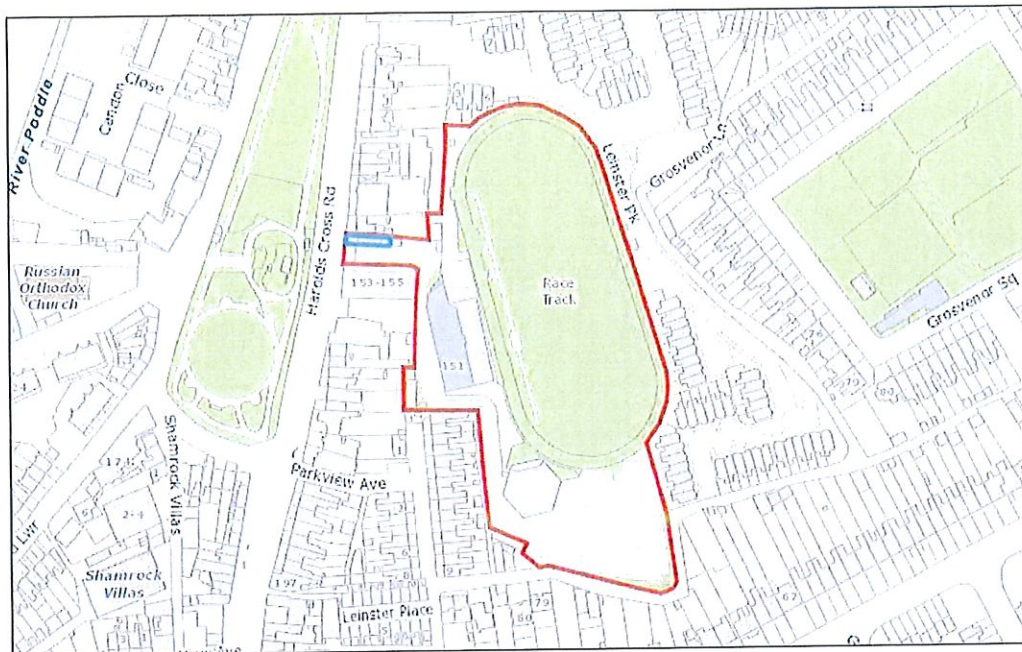
### 149/149A Harold's Cross Road – Leasehold portion

We understand the house located at 149/149A Harold's Cross Road and located at the entrance of the site is held leasehold under a 999 year lease to Bord na gCon. Significantly, Arthur Cox Solicitors advise the leasehold portion of the title is due to expire on 24 March 2017. We understand the title is unregistered and the owner of the Property is Dublin Greyhound & Sports Association Ltd.

We understand Holmes O'Malley Sexton Solicitors are preparing to serve a notice to acquire the fee simple before 24 March 2017. In terms of its development potential, the options explored in this report are dependent on freehold possession of this portion of the site. **The subject property has one sole access point, and the development potential of the lands is dependent upon acquiring this portion to enhance the access to the lands to ensure and enhance its future development potential. Our opinion of values assumes acquisition of the fee simple. This is the only issue Arthur Cox have flagged as substantial.**

We have highlighted this portion of the map of the site overleaf in blue;





Arthur Cox have noted the below items as lower priority items;

Landlord consent required in relation to alienation of interest under the 1918 lease relevant to 149 Harold's Cross Road

Arthur Cox advise if application to acquire the freehold is successful, this issue will fall away.

In the event that the application to acquire the freehold is not made or is unsuccessful, Arthur Cox advise an application for the landlord's consent must be made. Additionally, once a purchaser has been identified the Owner should advise the Earl of Meath that an application for consent will be imminent. This will avoid a delay in relation to completion once a purchaser has been identified.

Pre-emption rights in favour of the Earl of Meath

From the correspondence with the title deeds, Arthur Cox advise it is clear that waivers of these rights were obtained in relation to the acquisition of the freehold interest in the part of the premises referred to as Barbersland —though not other areas of the title which would appear to also be subject to the provisions of the fee farm grant.

We understand that Holmes O'Malley Sexton Solicitors are making enquiries to try to obtain a waiver of these rights in relation to any future sale of the premises by the Owner, as this will avoid a delay in relation to completion once a purchaser has been identified.

### Identity

The Declaration of Identity has now been prepared by Land Surveys. Queries have been raised in respect of a portion denoted on Map 2 provided by Land Surveys (c) where it appears an adjoining land owner has demolished a portion of the boundary wall and extended the wall of their dwelling on to title held under the subject property. We do not believe this portion of the site is significant in terms of a disposal of the asset. However, clarity is required to determine if an agreement was put in place between the IGB and the relevant landowner to authorise this action.

### Ministerial Consents

It has been agreed the IGB will make an application to seek ministerial consent for the sale once a sale has been agreed. Arthur Cox advise this is standard procedure.

### Missing information

It appears from the maps prepared by the Owner's surveyors that the ESB Substation can be clearly identified, however a copy of the agreement to transfer is not held.

Arthur Cox advise the contract for sale should provide that the purchaser to conclusively assume that the Kilkenny conveyance (lands previously disposed of) relates to lands outside Maps A&B and that same does not affect the Property.

A prospective purchaser is likely to require the Owner to clarify the position by way of statutory declaration.

### Occupational Lease to Bord na gCon

The 999 year lease to Bord na gCon will either need to be collapsed prior to any sale of the property or Bord na gCon will need to join in the assurance of the property to the prospective purchaser. Arthur Cox recommend IGB and Bord na gCon take tax advice as to the most tax efficient way of dealing with this issue.

### Telecoms Licences

A number of Telecom licences are in existence. Arthur Cox provide the required notice periods to serve termination notices of these licences in their report.

### Car Parking Arrangements

IGB have advised that the car parking arrangements were informal and have been terminated by the closure of the Property.



## 6. VALUE

We have assessed the Estimated Realisation Price of the property on the following two options;

- Value based on a successful rezoning
- Value "as is" with current zoning

### VALUE BASED ON SUCCESSFUL REZONING

There is the option is to hold the asset and seek a successful rezoning prior to disposal which we have examined in detail below. **This option may take a minimum of 3 years** to allow a time period to lapse from the recent unsuccessful rezoning submission, to engage with councillors and DCC, and an additional 6-12 months to complete the process which is further detailed in this section.

#### Value

Our assessment of value of this option assumes the subject lands are deemed suitable for residential development, either via a variation of the Development Plan, a local area plan or a SDRA and sold with the benefit thereof. However, it does not assume planning permission is in place for a specific scheme of development.

There are limited directly comparable sales of large sites that are directly comparable to the subject property (assuming a zoning objective where residential development is permitted in principle). However we have had regard to the following transactions to assess our opinion of value and plot value in respect of a potential scheme of development;

- This is the most comparable sale, however the property had planning permission for a residential scheme

The lands were purchased by a residential developer.

This property was located on lands extending to approx. acres which was predominately zoned for residential development.

- The lands which had no planning permission was purchased by a residential developer who is currently seeking a grant of planning permission for a scheme comprising 70 no. apartments.

This property is located in a superior location in suburban South Dublin, in addition it comprises of a smaller lot size.

The above transactions represent a range in value

however this had the benefit of planning permission in part and a positive planning history attached to the remainder.

We have also had regard to the feasibility assessment by O'Mahony Pike Architects contained in the submission made on behalf of the Irish Greyhound Board (IGB) to Dublin City Council to underpin the value. The feasibility assessment demonstrates the potential of the lands to accommodate 150 – 175 residential units comprising 25 – 30 no. 3 and 4 bed houses and 120 – 150 no. 1, 2, and 3 bed apartments which represents a density of 56-68 units / hectare.

We have applied a value of  
to each apartment site and  
to each housing site in the event that the site is sold with the benefit of a more favorable zoning objective permitted residential development in principle but without the benefit of planning permission, resulting in a value of €10,000,000 - €12,000,000, equating to a rate of €1.95 million - €2.34 million per acre based on the net developable area assuming 20% of the lands will be required for open space. Please note this value is of 'today' and doesn't factor in the costs involved in implementing this option. Therefore the net amount (after costs are deducted) receivable will be substantially decreased than our opinion of value for this option.

There is also the option to bring in a partner to seek a successful rezoning of the lands. However, parties would pay a discounted purchase price payable upon completion of the sale with a further predetermined amount payable if the lands were successfully rezoned.

**Our opinion of value assumes the Section 38 agreement previously detailed does not detrimentally affect the development potential of the subject property.**

**Please note our views on price and value are not intended as formal valuations and should not be relied upon for loan security purposes or any other major decisions without further advice. They are given in the course of our estate agency role and do not come within the scope of the Valuation and Appraisal Manual issued by the Society of Chartered Surveyors.**

We have further analysed the anticipated timescales, risk and cost associated with the option of a disposal after a successful rezoning of the subject property, to include identifying potential purchasers.

#### Timescales

**This option may take a minimum of 3 years** to allow a time period to lapse from the recent unsuccessful rezoning submission, engage with councillors and DCC, and an additional of 6-12 months to complete the process. It could take considerably longer depending on the priorities of the City Council.

#### Risks



There is the potential that regardless of the method sought to alter the zoning objective, that this may still be unsuccessful. In particularly noting the previous unsuccessful submission to rezone the lands. In this event, this may detrimentally affect the perception of the property as it would result in two unsuccessful attempts to alter the zoning objective of the subject site. This may reduce the interest of spectators who may form the opinion that they too will be unsuccessful in seeking a more favourable land use zoning objective of the site.

As advised this option would take in reality a minimum of 3 - 4 years but could take considerably longer. Any option that involves a significant time delay in bringing an asset to the market increases risk and is dependent on future market conditions.

#### Costs

A significant budget needs to be set aside for this timely process. A professional team will need to be appointed including an Architect, Town Planner, a Lobbyist, Services Engineer and Roads Engineer. In addition, you will incur holding costs including security costs. The costs of this option could result in a total outlay of

#### VALUE TODAY 'AS IS' (WITH CURRENT ZONING)

The property comprises a unique opportunity for a purchaser to acquire a large land holding in Dublin City. Were the property to be offered for sale today 'as is', we do feel that there would be sufficient interest, with the value undoubtedly driven by the medium - long term development potential of the land.

#### Value

Due to the specific land zoning and nature of the property, there are limited directly comparable sales. However we have taken the following into consideration the below sales;

#### Comparable Evidence

The above sales achieved a rate of € per acre. However,

resulting in a value of **€5,000,000 - €6,000,000**, equating to a rate of €977,000 - €1,172,000 per acre based on the net developable area assuming 20% of the lands will be required for open space. However, we would seek to achieve excess of this level especially with competitive tension and the presence of a special purchaser.

There is obvious significant local stakeholder opposition to rezone the subject property, which has been seen by the recent closure of the property and the views by the elected councilors in the previous attempt to rezone the lands. We have taken this local stakeholder resistance in a future sale and rezoning attempt into account in our views of value 'as is'.

There is also an option for a sale 'as is' with a reduced price payable upon completion of the sale with a further predetermined amount payable only if the lands were successfully rezoned. To participate in this type of structure where an uplift is paid upon successful rezoning only would result in a discount to the upfront payment



receivable, with no assurance of success around a rezoning. Therefore, knowing the Boards objectives around maximising value, and reducing risk in the transaction we cannot recommend this option.

Even if the rezoning is successful you may not realise this overage payment for a number of years.

Our opinion of value assumes the Section 38 agreement previously detailed does not detrimentally affect the development potential of the subject property. Please note our views on price and value are not intended as formal valuations and should not be relied upon for loan security purposes or any other major decisions without further advice. They are given in the course of our estate agency role and do not come within the scope of the Valuation and Appraisal Manual issued by the Society of Chartered Surveyors.

We have further analysed the anticipated timescales, risk and cost associated with the option of a disposal 'as is', to include identifying potential purchasers.

#### Timescales

Should you decide to proceed with a sale 'as is', Arthur Cox have advised they will require 2-3 weeks to complete legal pre-sale due diligence and draft a contract of sale. We would then need to collectively review and comment on the contract. Therefore we would target a launch date of Wednesday 12<sup>th</sup> April 2017 assuming an instruction is received this week. However, there is potential for a press release advertising the sale to feature in the press on 5<sup>th</sup> April 2017. We have set out below recommended key target dates:

Action	Proposed Dates
Pre-Sale Due Diligence	Immediate
Proposed Launch Date	Wednesday 12th April 2017
Expressions of Interest Date	Tuesday 16 <sup>th</sup> May 2017
Selection Process Concluded	Tuesday 23 <sup>rd</sup> May 2017
Best Bids Date	Tuesday 6th June 2017
Proposed Closing Date	Friday 28th July 2017

#### Risks

The price achievable will be heavily discounted from a sale with the benefit of a more favourable land use zoning objective.

From a residential development perspective, this option reduces the pool of purchasers, however we are confident that residential developers and spectators will express an interest in the property and take a longer term view that residential development may be permitted on the lands in the future as identified in section 12.



### Costs

The costs involved in this option primarily comprise of marketing, legal and sales agent fees, in addition to your holding costs in the intervening period. Sales agent's fees and marketing costs are estimated at excluding VAT.

### Buyer Pool

We believe 'as is' the property will appeal to a range of potential purchasers. There will be a common theme amongst the buyer pool – they will be cash purchasers. Due to the nature of the property, debt funding will not be an option for most.

The potential purchasers can be categorised as detailed below:

**Developer** - While residential development is not currently permitted under the current Z9 zoning, we believe residential developers and spectators will express an interest in the property and take a longer term view that residential development may be permitted on the lands in the future. We will seek to drive this interest further.

We have identified below a number of potential purchasers in this regard:

**Sports Clubs** – We believe the subject property will create interest among sports clubs who are seeking to acquire additional sports grounds.

We have identified a sample of sports clubs whom we believe may express an interest in the subject property:

**Semi – State Bodies / Institutional** - We are of the opinion a number of semi-state bodies may have an interest in the subject lands.

**Owner Occupiers** – We are of the opinion Harolds Cross Stadium could appeal to parties who are currently occupying assets zoned for development in Dublin that need to relocate in order to unlock the value of their asset. The subject property could act as a catalyst in this regard.

**Student Accommodation Operators** – We also believe the subject site may appeal to student accommodation operators, which we have taken into account when assessing our opinion of value.







## 7. CONCLUSION AND ACTION POINTS

We have set out our estimated value in respect of a sale "as is" and a sale with the benefit of a more favourable land use zoning objective which permits residential development in principle.

The option you proceed with will ultimately depend on your preference to sell the asset or retain the site and seek to improve the zoning of the lands. However, considering your objective to maximise the price and minimise the transaction risk, we feel the option to sell 'as is' should be the selected route.

Should you decide to proceed with a sale "as is", the following component of this report includes our sales strategy including the following:

- Methods of sale including our recommend sales process.
- Marketing & Sales timelines and Programmes.
- Recommended Marketing strategy and associated costs.

Section 6 of this report details essential pre-sale due diligence required to get the asset to market, particularly regarding the legal implications of the subject lands and the section 38 agreement. This is essential to avoid any unnecessary issues when the property launches to market and to avoid any price impairment.



## 8. SALES STRATEGY

Should you decide to proceed with a sale 'as is', we recommend a sale by private treaty/expressions of interest in relation to the disposal of the subject property;

### Expressions of Interest

This would consist of inviting all interested parties to submit their expressions of interest within 4/6 weeks of the launch date. We would request all parties to submit the following information as a minimum;

**Price:** Confirmation of the purchase price offered (excluding VAT), subject to contract.

**Purchaser:** The identity of the proposed purchaser. Confirmation if the purchaser is buying in trust as part of a consortium or other relevant structure. If a new entity is being created for the purchase, confirmation that it is properly constituted to make the acquisition or the steps required. Details of recent track record / acquisitions would also be required.

**Funding:** Confirmation of how the purchase would be funded, with details of third party debt and equity funding if required. In the event that finance is not required to facilitate any proposed purchase, one must then provide either confirmation from their preferred financial institution that the necessary funds are available or confirmation from the relevant party's solicitor that the necessary funds are in place.

**Timescales:** Clear timescales for due diligence, proposed contract signing and completion dates and that the purchaser can and will meet those timelines.

**Approvals:** Details and timescales of any board or third party approvals that would be required to complete the transaction.

**Advisors:** Details of appointed professional team and any other advisors.

**Conditions:** Any other purchase conditions relating to an offer.

**Track Record:** Details of recent acquisitions and commercial and residential projects completed by the proposed purchaser.

Following expressions of interest, we would then review each expression of interest and make a recommendation as to the number of parties that should be invited to participate in a best and final bid process. When potential purchasers feel that they are in a competitive environment but have some transparency on the level of competition (i.e. they are one of 3 / 4 selected parties) they invariably become even more competitive on pricing.





For the best and final bid process, we would request parties to submit a marked up contract with any requested amendments, additions or omissions clearly outlined in addition to the above information.

Potential buyers would typically expect to receive a response in respect of their offer no later than seven working days from the bid date. Mitigating deal execution risk is paramount. Once a transaction has been agreed, it is imperative that any sale progresses expediently. The longer a transaction takes the greater the risk of it not proceeding.



## 9. MARKETING

We recommend a high profile 4 week marketing campaign for this landmark sale, comprising of the following elements;

### Sales Brochure

We will prepare a high quality brochure with uniform bespoke branding, which will include high quality photography, and relevant market information. This brochure will be circulated in email and hard copy format to our unrivalled target list of potential purchasers throughout the UK, Ireland and abroad. The importance of the brochure cannot be overstated.

### Press Advertising

A key feature in the high profile marketing campaign is press advertisements in the Irish Times and Irish Independent. These advertisements will occupy a prominent position within the Savills commercial property page ensuring maximum exposure is achieved.

### Bespoke Website / Data Room

We recommend that all marketing material be made available by way of high quality and secure bespoke website. The data site should include the key property details and supporting commercial data to enable any potential purchaser form their opinion of value. Savills would manage this data site in-house.

For those parties invited through from Expressions of Interest to Best and Final Bids, we would allow them access to the legal section of the data site where they can review the draft contract and supporting title documentation. We recommend this section of the data site is managed by the appointed solicitor whom the selected interested parties can refer to with any legal queries.

A selection of the information that should be made available on the data site should include but not be limited to:

- Detailed OS maps
- Aerial photos and location maps
- Planning report
- Services engineer's pack, details of water, foul and surface water in area
- Assignable measured surveys for any built stock
- Title summaries prepared by the appointed solicitor
- Copies of any relevant easement agreements





Parties accessing the data site must register to gain access. This enables us to monitor which parties access the data site, how many times they log on to the data site and the information which they download. Sensitive information, particularly the legal data can be concealed so that only approved parties can gain access to this information.

Website

Key details of this property will be included on [www.savills.ie](http://www.savills.ie), [www.myhome.ie](http://www.myhome.ie) and [www.daft.ie](http://www.daft.ie).

Press Releases

We will put in place a detailed PR plan. This will coincide with the launch date of the advertising campaign, which would be sent to the editors of the target publications. This is an important and valuable method of gaining free editorial coverage in advance of a sale.

Sign Board

Ideally we would like to erect a large sign board on-site; however if you would prefer for us not to do so, we wouldn't see this as having a significant effect on the advertising campaign as a whole. The majority of exposure will result from the national newspaper advertising and Savills database of enquiries.

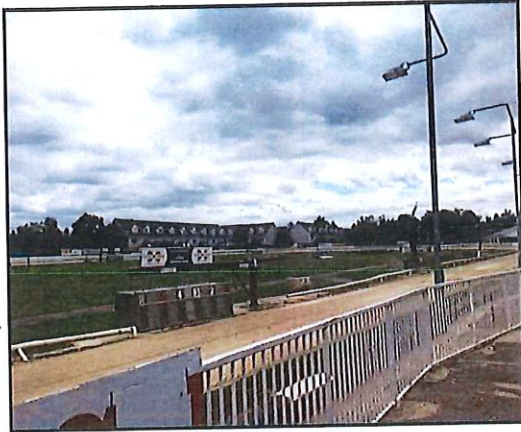
We have set out below our recommended marketing campaign for a prime asset of this nature. We are proposing a cost of

[illegible]

**CONFIDENTIAL & COMMERCIALY SENSITIVE**



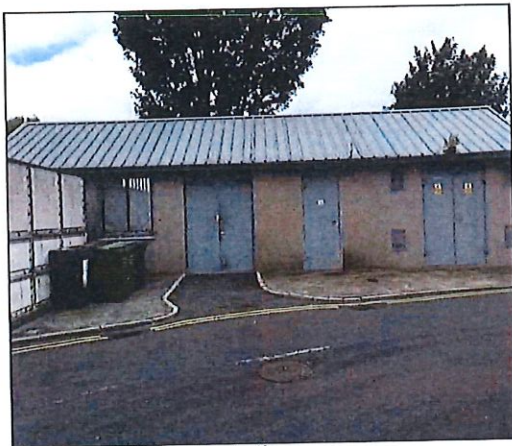
APPENDIX 1- PHOTOGRAPHS



Greyhound Track



Restaurant



ESB sub-station



Main Stand



ESB sub-station



Car Park

*Harolds Cross Greyhound Stadium, Harolds Cross, Dublin 6W*





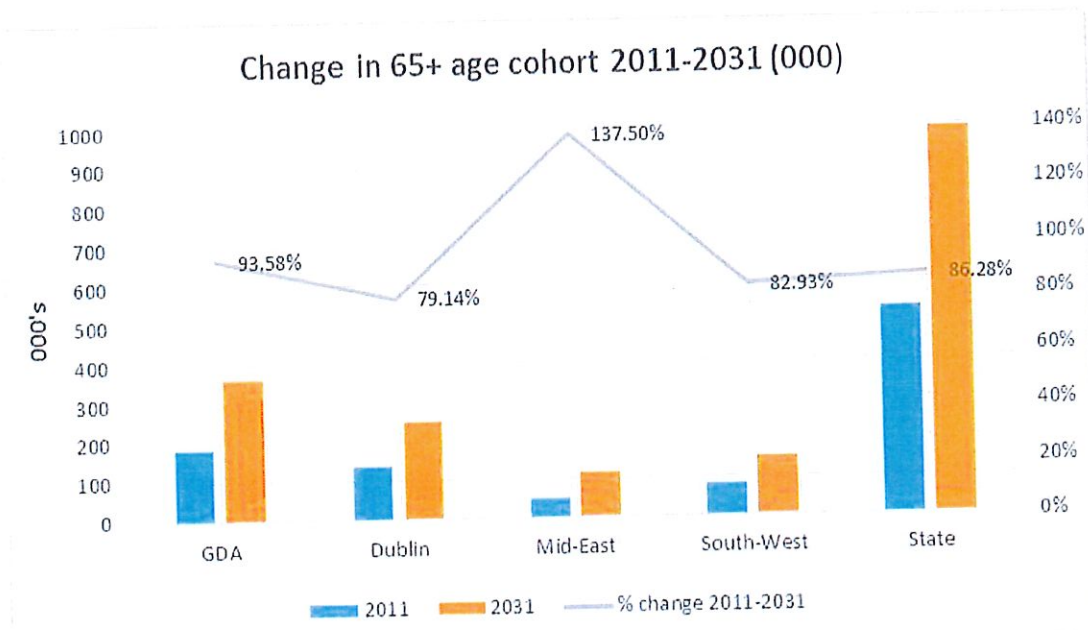
## APPENDIX 3 MARKET OVERVIEW

### Population projections

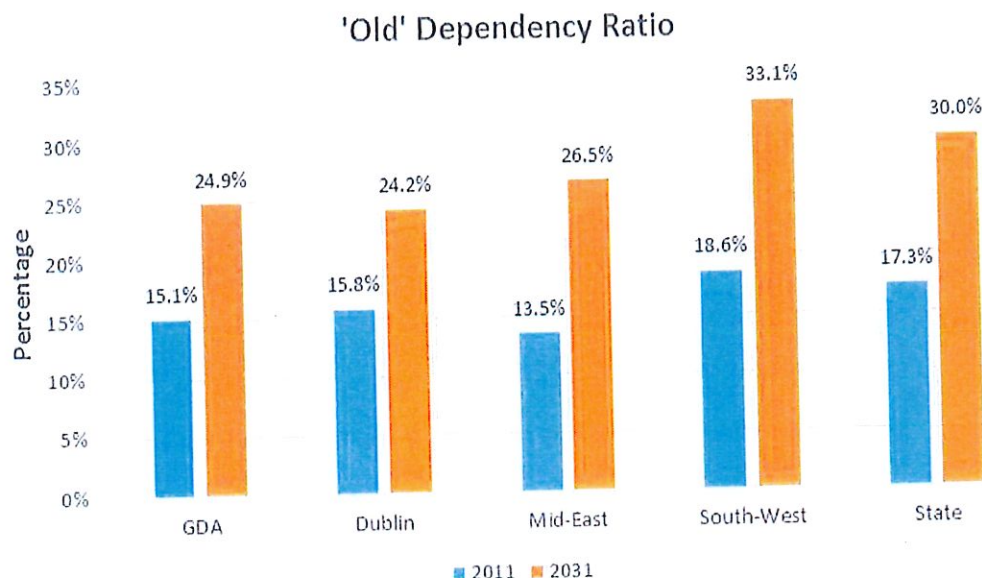
A key factor in determining demand for both residential and commercial property and by extension, development land is the change in population. Preliminary Census results suggest Ireland's population has grown by almost 170,000 (3.7%) between 2011 and 2016. Growth in Dublin was even more pronounced, advancing by 5.7% over the same period. Additionally, a return to net inward migration in 2016 for the first time in nine years suggests growth will be sustained. This will continue to apply upward pressure on housing demand.

### Changing age profile of population

The changing age profile of the population arising from the CSO projections is shown in the charts below. The 'Old' dependency ratio is defined as the population aged 65 and over as a percentage of those aged 15 – 64.



Source: CSO



Source: CSO

The striking conclusion is that there will be a very significant ageing of the national population by 2031. The ageing of the population has implications for the housing market as it may lead to an increase in the numbers wishing to downsize as it pushes down average household size. It will also lead to other investment and development opportunities in the healthcare and leisure sectors.

#### Residential Prices

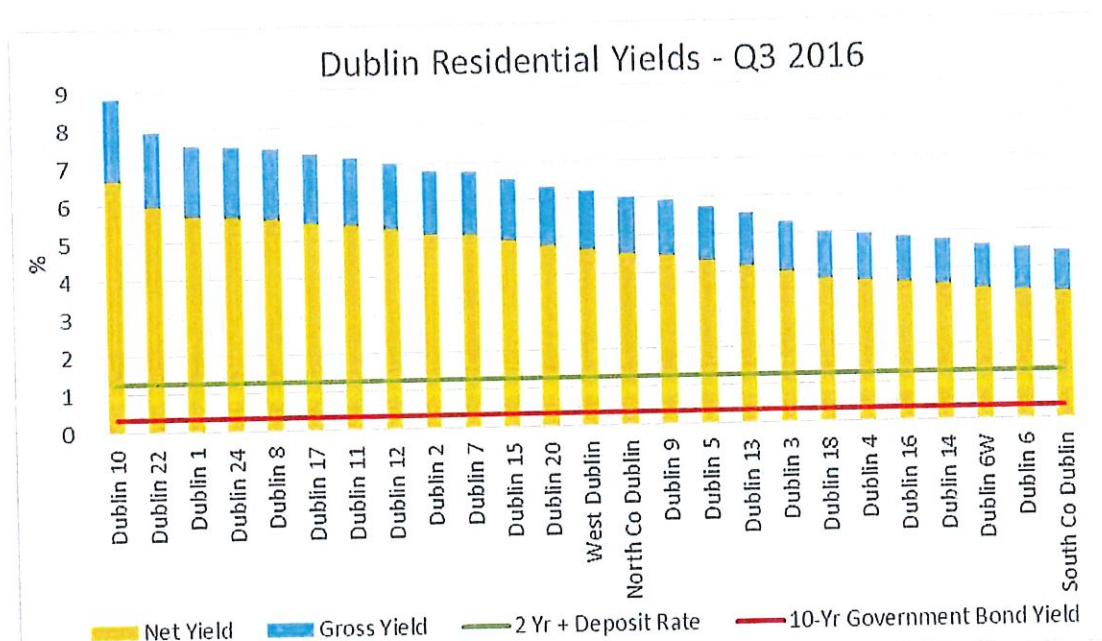
Dublin house price inflation has accelerated from 3.3% per annum in November 2015 to 5.9% per annum in November 2016 – a 76% increase in the rate of price growth. Buyers frozen out of owner occupation – due to the stricter mortgage lending rules – have been diverted to the private rented sector (PRS), leading to further rent increases and higher yields. This, in turn, is attracting investors who, motivated by the positive income story, are competing with each other, and with putative owner occupiers, to buy a limited stock of residential units which is driving up prices in the process.

#### Residential Rental Market

The demand for rented accommodation continues to be driven by the lack of availability of properties to buy. Despite an increase in the overall stock of properties in the private rented sector (PRS) since 2011, the number of units that are available to rent has fallen very sharply over the last five years. Consequently, vacancy rates for private rented accommodation in all locations are now negligible. The key difference between the regions is that vacancy rates in Dublin have fallen despite an increase in the number of properties in the PRS whereas outside Dublin falling



vacancy rates partially reflect shrinking supply. As a result, rents continued to rise sharply in 2016. The introduction of Rent Pressure Zones (RPS) will cap rental growth at a maximum of 4% per annum for the next three years in some locations.



Source: *Daft.ie, CBI, Countryeconomy.com*

#### Residential Supply

Preliminary Census results suggest the population of Ireland grew by almost 170,000 (3.7%) between 2011 and 2016. Growth was more pronounced in the capital, advancing by 5.7% over the same period. Complementary data indicate Dublin's population is currently growing by around 1.7% per annum, compared with growth of 0.6% outside Dublin. This implies a requirement for around 7 - 9,000 net additional residential units in Dublin. However, the flow of new housing completions continues to fall short of requirement. As a result, Dublin's vacancy rate has fallen from 8.3% at the time of the 2011 Census to 6.9%. Insofar as there has been house building during this period, the latest data does suggest that it has happened in the right locations.

#### Availability of finance

Banks have been reluctant to lend, particularly on projects of a speculative nature. As project risk declines with end-product demand increasing, it is expected that access to finance will improve.

#### Planning policy

In response to the lack of completions, a package of supply-side measures have been introduced in an effort to kick-start construction including the Government's latest plan, Rebuilding Ireland.

As the volume of development land being released to the market increases, there will be more opportunities for developers. One obstacle faced by developers in taking advantage of such opportunities up to this point has been a lack of access to development finance. In the post global financial crisis period lending institutions that previously funded speculative development have been repairing their balance sheets and have not been in a position to fund speculative development. The commencement of the ECB's massive QE programme on March 9th 2015, and subsequent extension, has led to lower interest rates which should improve the flow of credit into the economy with banks primed with cash that they must put to production.

#### Policy initiatives

Recent Government and local authority initiatives to stimulate development and improve the efficiency of the planning and development process are likely have a positive impact over the next few years.

The measures include;

- Recent Government and local authority initiatives to stimulate development and improve the efficiency of the planning and development process are likely have a positive impact over the next few years. One such measure is the fast-tracking of planning applications. Having regard to the current housing supply shortages, and the priority to accelerate larger-scale housing proposals, Rebuilding Ireland allows development applications comprising of 100 or more residential units to bypass Local Authorities and go directly to An Bord Pleanála for approval. This fast-tracking process will run up until 2020 and provides greater clarity for developers in terms of planning and development timeframes.
- New national apartment planning guidelines to enhance supply and affordability. The new guidelines will retain minimum internal apartment sizes but allow for a certain amount of smaller studio type apartments in certain managed developments, address the minimum number of units with dual aspect, the maximum number of units per lift and revise car parking provision in city centre and public transport served locations. The Dept. Environment, Community and Local Government estimate these changes could reduce the cost of apartment building by as much as €20,000 per unit in Dublin City making many potential developments much more viable and enabling them to come on stream and enhance supply.





- A development contribution rebate for developments completed in Cork and Dublin. For those who build and sell affordable housing at below levels of €300,000 in Dublin and €250,000 in Cork, subject to certain conditions, they will be eligible for a rebate of payment of local authority development levies on sale of the property but must demonstrate the passing on of savings to purchasers through a project plan. Two years ago, in a pre-Budget submission, Savills petitioned the Government to remove unnecessary local authority development levies in an effort to stimulate activity and it is great to see that they have finally taken our suggestion on board.
- NAMA will look to deliver 20,000 residential units before the end of 2020 with 90% of these within the Greater Dublin Area and 75% in the form of houses (mainly starter homes).
- The Docklands Strategic Development Zone (SDZ) - the SDZ provides a 'fast track' planning process. In essence, if planning applications comply with the adopted scheme they must be granted by the planning authority subject to conditions. The first application under this SDZ was in respect of Boland's Mill and was lodged in December 2014. The proposed development, once completed, could provide over 25,000 sq. m. (gross) of new office accommodation, 42 new residential apartments, substantial retail/café/restaurant accommodation as well as cultural/exhibition space. The overall development costs for the project are expected to be in excess of €150m. When complete the scheme could accommodate up to 2,300 office workers.
- Planning No. 1 Bill (2014) which announced major reforms of the planning system. The main objectives are to facilitate more viable and sustainable development.
- Part V of the Planning and Development Act 2000 – Developers will have to provide up to 10% of their housing units for social housing (previously 20%). This will apply to schemes of 10 houses or more rather than five houses which previously applied. They will no longer be able to meet their social housing commitments through cash payments to local authorities except in exceptional circumstances where, for example, there is insufficient social housing demand at a particular location. The obligation to provide affordable housing has been removed.
- Reduced development contributions for existing planning permissions in line with current rates.
- Vacant Site Levies – Local Authorities in urban centres of greater than 3,000 will have the power to apply levies to property owners who leave their sites vacant and underutilised. It will work by applying an annual levy at a rate of 3% of the market value to the site if the owner does not take steps to develop. The levy will rise progressively to a maximum of 6%.



- 'Use it or Lose it' clauses – These will require applicants for planning permission in respect housing developments of 10 or more houses to state their proposed development schedules. Where progress is not made in line with these schedules, without reasonable justification, permissions may be modified.
- The Government's action plan, *Rebuilding Ireland*, includes a Five Pillar approach to tackle the current housing shortage.
- Budget 2017 saw the announcement of a First-Time Buyers (FTBs) Help-to-Buy scheme. The scheme is designed to assist FTBs of new homes or self-builds by:
  - Providing a rebate of income tax (including DIRT) paid over the previous four tax years.
  - A rebate of up to a maximum of 5 per cent of the purchase price, up to a value of €400,000, will be available.
  - Where new homes are valued between €400,000 and €500,000 the maximum relief (i.e. €20,000) will continue to be available.
  - No relief will be available for new purchases costing over €500,000 or new-builds valued at over €500,000.
  - The relief will be linked to a mortgage being taken out for a minimum of 70% of the purchase price, or in the case of a self-build, 70% of the valuation approved by the mortgage provider.
  - Relief will be provided at deposit stage (signing of contract) or, in the case of a self-build, following the drawdown of the first tranche of the relevant mortgage.
  - Eligibility for the incentive will be back-dated to take effect from 19th July 2016 - the date of the publication of *Rebuilding Ireland*.
  - The scheme will run until the end of 2019.
- The Central Bank of Ireland has altered its mortgage lending rules such that all first-time buyers (FTBs) will now be required to provide a minimum deposit of 10% of the value of the property. The change took effect on 1st Jan 2017, replacing the previous system whereby a deposit of 10% was required on the first €220,000 of the price of a property and 20% on the balance above €220,000. The requirement for second and subsequent buyers to provide a minimum deposit of 20% remains unchanged. Similarly, the buy-to-let requirement of a minimum 30% deposit also remains unchanged.





**APPENDIX 4 PLANNING REPORT – JOHN SPAIN ASSOCIATES  
EXECUTIVE SUMMARY**