## SURVEYORS JOURNAL VOLUME 13 ISSUE 6 DECEMBER 2023



**ALSO IN THIS ISSUE** 

**SCSI NATIONAL CONFERENCE** 

COMMERCIAL REAL ESTATE REVIEW AND OUTLOOK

CORPORATE SUSTAINABILITY REPORTING

## GLOBAL COLLABORATIONS IN AI





## Be the first to know.

Get **Property Alerts** and instant updates on the properties you're interested in as they're added to **myhome.ie**.

So, whether you're a first-time buyer or you're moving search myhome.ie today.

Thousands of homes, one address.

9	myhome.ie	:
---	-----------	---







## **CONTENTS**

President's message	4	
Editorial	5	
News	6	
SCSI National Conference 2023	11	
Laying the foundations of a better future	15	
Reshaping surveying:		
global collaborations in Al	16	
Towards a sustainable real estate sector	18	
Dachau, the Nazis and Merrion Square	20	
Commercial real estate finance		
review and outlook	22	
A global standard	24	
Finding balance	25	
The last word	26	



Society of Chartered Surveyors Ireland, 38 Merrion Square, Dublin 2.

Tel:	01-644 5500
Email:	info@scsi.ie
Web:	www.scsi.ie

### www.scsi.ie

Views expressed by contributors or correspondents are not necessarily those of the Society of Chartered Surveyors Ireland or the publisher and neither the Society of Chartered Surveyors Ireland nor the publisher accept any responsibility for them.

This Journal is printed on Forest Stewardship Council® (FSC®) Certified sustainable, recyclable paper using vegetable-based environmentally friendly inks. Every mode of communication necessitates the consumption of energy and resources. It is crucial to consider the comprehensive effects throughout the lifecycle, including the production, storage, duplication,

transmission, printing, and disposal of this Journal. These actions can potentially influence the economy, the environment, and society. The path towards a sustainable future entails making prudent decisions in communication to ensure its viability for the well-being of all.

### EDITORIAL BOARD

Tom Dunne Shirley Coulter John Costello Muiris de Buitléir Majella Galvin Brian Gilson Ann-Marie Hardiman Eloise Heron Frank Harrington Patrick King Edward McAuley Paul Mooney Paul O'Grady Rowena Quinn Andrew Ramsey



Chairman

CEO, SCSI

DNG Galvin

Think Media

Tailte Éireann

Think Media

Module Group

Hunters

Smith Harrington

Benchmark Property

l isnev

SCSI

SCSI

Costello Commercial

Max Reilly Claire Solon John Vaudin

JLL Greystar Ireland Round Hill Capital

### PUBLISHERS

Published on behalf of the Society of Chartered Surveyors Ireland by Think Media

Editorial:	Ann-Marie Hardiman
	Paul O'Grady
	Colm Quinn
	Rebecca Pollard
Design:	Rebecca Bohan
	Tony Byrne
	Meliosa Fitzgibbon
Advertising:	Paul O'Grady
	Calum Petit

LETTERS, COMMENTS AND ARTICLES WELCOME

All submissions will be considered by the Editorial Board: editor@scsi.ie

# **SHAPING OUR INDUSTRY**

DURING THE LAST YEAR, THE SCSI HAS CONTINUED TO PROVIDE VITAL ADVOCACY AND GUIDANCE TO MEMBERS, GOVERNMENT, AND ALL STAKEHOLDERS.

s we come to the end of 2023, I'm delighted to look back and recognise the great work that has been done to propel our profession forward. Together with our hardworking and committed executive, in the past six months, we've produced property and construction industry reports, provided homeowners with important home rebuild cost guidance, informed policymakers, and championed a long-term approach to housing to ensure viability and affordability in Ireland. Homeowners, policymakers and industry leaders alike continue to seek out the SCSI's input and guidance as we work to drive best practice across policy and education.

### Insight

It is through your efforts and insights that the SCSI continues to be recognised as a trusted voice in our sector. I would like to thank you, my fellow members, for your many contributions, which underpin our influence and ability to shape the built environment.

### **Celebrating our accomplishments**

This year we launched the Surveying Excellence Awards to recognise excellence and emphasise the important role surveyors play in the built environment. Whether by working together across disciplines for successful project outcomes, championing a more diverse and



sustainable sector, or enlightening the profession through your thought leadership, your work has positively impacted our profession. Congratulations to all who were shortlisted and to this year's award winners. You can see details of this year's winners, and read an account of our recent National Conference, on page 11 of this edition.

### Supporting our members

I began my term as President with the goal of supporting members across all disciplines, both in their work and in their interactions with the SCSI. Over the past few months, I've had the privilege of engaging with members across all our regions and professional groups. My thanks to you for your input and support, which inform the SCSI's efforts to provide you with an even better membership experience, and which will guide us as we start to create a new strategic plan for the Society in 2024.

As we enter the holiday season, I also want to recognise that Christmas can be a difficult time for some. No matter the difficulty you may be experiencing, I encourage you to reach out and avail of the many supports available to members through LionHeart.

I wish you and your families a safe, happy Christmas and New Year.



## **EXPERT SERVICES**

## AI HAS THE POTENTIAL TO REVOLUTIONISE SURVEYING, BUT NOT TO REPLACE SURVEYORS.

rtificial intelligence (AI) is an important technology likely to change our lives. Naturally, it gives rise to a lot of comment and much concern. In his article on page 16 of this edition of the *Surveyors Journal*, Ross Gissane of Arcadis, a leading company delivering sustainable design, engineering and

consultancy solutions for natural and built assets, notes that the revolutionary technology has raised fears and particularly the anxiety that it could replace the need for human surveyors.

He asserts that while AI skills are indeed very impressive, the technology lacks the creativity, emotional intelligence and ethical reasoning of humans. Ross makes the important point that these are at the very heart of professionalism, which goes beyond plain expertise.

Therefore, while AI will shift traditional skill sets and allow for new capabilities, surveyors will evolve alongside the new technology. AI should be therefore seen as a tool that will enhance the professional rather than replace humans in providing expert services to clients in the land, property and construction industries.

Also in this edition, there is a report on the SCSI's Annual Conference, which is a major event in the calendar of the Society. The content of the Conference will be of interest to all the members who, if they were unable to attend, can read about it here.

Finally, as noted on page 8, the updated 2023/24 SCSI House Rebuilding Guide shows that rebuilding costs have increased nationally by an average of 12% over the past 12 months. This is an important piece of information, which should be brought to the attention of all house owners.

To produce the Guide, many quantity surveyors have to submit significant information on a pro bono basis. The guide is provided free by the Society and is widely referenced in the media, consumer bodies and especially the insurance industry. It is a particularly good example of the Society acting as a professional body and fulfilling its remit of working in the wider interests of the public. A great thanks to all those quantity surveyors who contributed to the production of the guide.

### **EDITORIAL**

**Tom Dunne** Editor



### USE OF AI IN EU ENTERPRISES



Source: Eurostat. https://bit.ly/41htf5G

### **NEXUS BALL**

Over 170 people attended our 2023 Nexus Ball, which took place on October 14 in the fabulous Morrison Hotel in Dublin. Surveyors from over 25 companies attended this sold-out event and enjoyed a masqueradethemed evening filled with food, dancing and entertainment.

Our thanks also to the Nexus Committee for their hard work in organising this memorable event, and special thanks to our sponsor, Quintain Ireland, for their support. Nexus is the SCSI's network of young professionals and newly qualified surveyors. If you would like to build your network, give back to your community, and make a difference, please get in touch to find out how you can get involved in the Nexus Committee by contacting Ruth Comerford-Morris at ruth@scsi.ie or visiting scsi.ie/nexus.



At this year's Nexus Ball were: Back row (from left): Norman Higgins, Quintain Ireland; Caroline Nugent; Marc Kelly; Marcel Stanisz; John Dunleavy; and, Sean Kellegher. Front row (from left): Ruth Comerford Morris, Deputy Director of Education, SCSI; Caroline O'Connor; Shirley Coulter, SCSI CEO; Claire McDowell, Chair of the Nexus Group of the SCSI; and, Niamh McKenna.

### School of Surveying and Construction Innovation

### **Real Estate and Valuations**

TU281 MSc in Real Estate (Full-time)
TU375 MSc in Real Estate (Part-time)
TUO85 BSc (Honours) in Property Economics

### **Quantity Surveying**

TUO87 BSc (Honours) in Quantity Surveying and Construction Economics
TU223 MSc in Quantity Surveying (Conversion)

### Construction Management

TUO83 Higher Cert in Construction Technology
TUO86 BTech (Ordinary) in Construction Technology

### **Geospatial Surveying and Digital Construction**

- TU415/1 Pg Cert in BIM Technologies
- TU415/2 Pg Dip in Collaborative BIM
- TU415/3 MSc in applied BIM and Management
- TU174 BSc (Honours) in BIM (Digital Construction)
- TU058 Pg Cert in Digital Construction Analytics/Engineering Analytics
- TU5405 CPD Cert in Geographical Information Systems
- TU220 MSc Geographic Science (Part-time)
- TU268 MSc Geographic Science (Full-time)

### **Postgraduate Research**

- TU502 MPhil
- TU503 PhD

APPLICATIONS CURRENTLY OPEN FOR SEPTEMBER 2024 INTAKE





### EARN AS YOU LEARN

Part-time programme: currently open for applications at

### www.tudublin.ie/ study/find-a-course

TU DUBLIN BOLTON STREET



## MINISTER AT NORTH EASTERN REGIONAL CONFERENCE

In October, members of the North Eastern Region took part in our Regional Connections Conference at the Knightsbrook Hotel in Meath. We were delighted to hear from Minister for Housing, Local Government and Heritage Darragh O'Brien TD, who was attending another conference in the hotel and visited our conference.

Thank you to our speakers Padraig Sherry, Chair of the North Eastern Regional Group, John Callan from MyHome.ie, Alan Russell from Meath County Council, and Ben Toomey from Uisce Éireann (Irish Water). Special thanks to MyHome.ie for sponsoring this event.



Pictured at the North East Regional Connections Conference were (from left): SCSI CEO Shirley Coulter; Minister for Housing, Local Government and Heritage Darragh O'Brien TD; Padraig Sherry, Chair of the North Eastern Regional Group; and, Enda McGuane, SCSI President.

## CONSTRUCTION + QS CONFERENCE



SCSI President Enda McGuane addressed the Construction + QS Conference.

It was fantastic to have over 75 members take part in person and online at this year's hybrid Construction + QS Conference. This year's conference featured a range of key issues facing the industry, including the skills gap, the state of the market, green public procurement, current trends, and real-life case studies.

Our thanks to all the speakers for their insightful presentations and panel discussions, and to all who took part.

### GROWING REGIONAL NETWORKS

Members of the West/North-West Region gathered at our Regional Connections Conference in November.

The event featured presentations from MyHome.ie's CEO Joanne Geary, John Daly of the Northern and Western Regional Assembly, Gerard O'Toole FSCSI FRICS, SCSI Director of Education James Lonergan, SCSI CEO Shirley Coulter and SCSI President Enda McGuane.

Our regional events help members to grow their professional network and get the latest insights for their region. Thank you to all who took part and special thanks to MyHome.ie for their support of this regional event.



Joanne Geary, CEO of MyHome.ie, presenting at the West/North-West Regional Connections Conference.



Recently formed **DGA Surveyors** 

wants to thank all clients and friends for their support over the first six months of business.

We look forward to working with you again in 2024.

DGA Surveyors Registered Office: 20 Harcourt Street, Dublin 2 Drogheda Office: Barnattin, Killineer, Drogheda, Co. Louth. A92T6WN Phone: 01 400 3687 E-mail: Info@dgasurveyors.ie

### **UPDATED HOUSE REBUILD CALCULATOR**

The SCSI 2023/2024 House Rebuilding Guide shows that national rebuild costs have increased by an average of 12% over the past 12 months. Our figures and updated online calculator provide valuable guidance for consumers across Ireland looking to check that their homes are adequately insured.

A key purpose of the SCSI is to harness the collective knowledge of our membership in order to provide essential advice in the public interest. Thank you to all the quantity surveying members who submitted data for this year's survey. Without your contribution, this guidance would not be possible.

### **PMFM CONFERENCE**

Over 120 property and facilities management professionals attended our 2023 PMFM Conference. Thank you to our speakers for their insightful presentations and to the conference delegates for taking part. We would also like to thank our sponsors, GEV Technologies, OOHPod, APCOA Parking Ireland Ltd and Triflex Ireland for supporting this year's event. Are you interested in growing your brand and partnering with the SCSI? Whether you are looking to reach all 5,000 SCSI members or targeted members' groups, we will work to find the approach that will fit your needs. Contact Edel Ryan for more information, at edel@scsi.ie.

### **COMPLETE YOUR PSRA CPD**

We would like to remind members to complete their 2023 PSRA CPD hours before the end of year deadline. The SCSI's online PSRA



CPD course is included in your SCSI subscription. Simply log in and complete all five answers online in your own time. Go to scsi.ie/psra to log in and start your hours.





## SURVEYING CHANGE

Chartered Surveyors: join the Land Development Agency

The Land Development Agency (LDA) is a commercial, State-sponsored body set up to co-ordinate land within public control to provide affordable and social homes and build communities across the nation. Its vision is to support sustainable, inclusive and vibrant communities so that everyone who lives in Ireland can be assured of housing options that support their needs, throughout their lives.

### JOIN ONE OF OUR TEAMS: APPLY TODAY

### SITE ACQUISITION

The Site Acquisition Division works to identify and act on the best development opportunities available in the market. The team engages with agents, vendors and investors to acquire lands both off and on market. Led by Donal Kellegher, the division assesses potential land acquisition targets. Staff evaluate State-owned and private lands, recognising the nuances and challenges within each opportunity and working in conjunction with internal and external advisors.

### DEVELOPMENT

The Development Division is pivotal to the progression of projects from inception through to occupation, enabling transformative regeneration. The Division has an overview role of the entire development process, setting development strategies, preparing project briefs, procuring professional teams and delivery partners and obtaining statutory grants. It also manages risks and ensures momentum is maintained. Arlene van Bosch, senior development manager, says the key skills of team members include project development and management and affordability and viability analysis. In addition, they seek to provide a balance between ensuring projects can go ahead and inspiring professional design teams to create quality homes and vibrant new communities.

### ASSET MANAGEMENT

The Asset Management Division plays a crucial role in advancing the organisation's mission to deliver sustainable, affordable, and high-quality homes for thriving communities. This team's responsibilities encompass the management of sites with development potential, supporting meanwhile uses during the planning process and contributing to the operational design and layout of new schemes. Enda McGuane, who leads the division, says property professionals have the chance to shape the cost rental homes and communities of the future.

### **COST MANAGEMENT**

The Cost Management Division seeks to ensure the agency fulfils the central tenant of its remit – the delivery of affordable homes. Clearly, this is challenging given the current cycle of construction cost inflation and capacity issues within the industry. Noel Walsh, head of the Cost Management Team, says efficiency and innovation are crucial. The work includes detailed early-stage analytics and budgeting, foreseeing financial risks and designing and standardising systems and procedures for financial control.

### CONSTRUCTION

The Construction Division is where all the planning comes to fruition. Paul Greene, construction management lead, says the division's commitment to quality is unwavering and cites the example of the A-rated homes being delivered in Shanganagh in partnership with Dún Laoghaire Rathdown County Council. Team members excel at optimising programmes, driving best-in-class workmanship and collaboration to ensure projects are delivered on time and within budget. Environmental sustainability is a guiding principle, minimising environmental impact wherever possible.



### BUILDING YOUR CAREER: BE PART OF THE SOLUTION

Working with the LDA isn't just about a job; it's about being part of the solution to one of the country's most pressing issues. The Agency takes pride in its people, building careers as well as homes through training, mentorship programmes and other initiatives. Its multifaceted remit provides access to diverse disciplines within property, construction, and beyond, helping to provide fulfilling career opportunities.

As it plans to accelerate its output and widen its impact, the Agency is actively seeking new recruits with the skills, ambition and will to deliver on its vital mission.



APPLY TODAY AT: www.lda.ie/about-us/careers



or scan QR code to learn more

### **NEW MSC QUANTITY SURVEYOR APPRENTICESHIP**



Pictured at the launch of the Advanced Quantity Surveyor Apprenticeship were (from left): Diarmuid O'Briain, Head of Department of Academic Partnerships, TUS; James Lonergan, SCSI Director of Education; Shirley Coulter, SCSI CEO; Prof. Vincent Cunnane, President, TUS; Dr Maria Kyne, Dean of Faculty of Engineering & Built Environment, TUS; and, SCSI Past President Kevin James.



Glennon is now a part of the Arachas portfolio. We have a number of specialist insurance solutions for Property Professionals in the following key areas:





lusive Home & Motor Insurance for Chartered Surveyors & thei spouses or partners

Get a quote today, it's quick and easy! Contact Us: T: 01 707 5800 E: business@glennons.ie W: www.glennons.ie Arechae Corporte Brokers Limited % Arachas is regulated by the Central Bank of At the end of October, SCSI CEO Shirley Coulter, Director of Education James Lonergan, and Past President Kevin James took part in the launch of the new Level 9 Advanced Quantity Surveyor Apprenticeship at the Technological University of the Shannon (TUS) Moylish Campus in Limerick. With the high demand for quantity surveyors in Ireland, the SCSI is proud to partner with the TUS and Generation Apprenticeship to launch this programme and also address skills shortages.

The new apprenticeship starts in January 2024 and combines workplace learning with structured education at TUS. Apprentices are employed, allowing them to 'earn while they learn'. Once completed, graduates will have gained valuable experience as well as a Master's degree – Advanced Quantity Surveyor. Employers also benefit from this approach to education. By becoming an apprentice employer you can:

- expand your team with experienced graduates;
- improve your staff retention rate;
- futureproof your organisation with industry-trained and technologically enabled staff;
- receive an employer grant: €2,000 per apprentice per year; and,
- enhance your brand with SCSI-accredited staff.

We encourage members to take advantage of this opportunity and become apprentices and apprentice employers. Apprentice and employer applications are now open. To find out more, prospective apprentice employers and apprentices can visit scsi.ie/apprenticeship.

### SOUTHERN REGION ANNUAL DINNER

Over 100 guests attended our 2023 Southern Region Annual Dinner, which took place this year at the Maryborough Hotel in Cork on November 17. Guests enjoyed an evening of networking, dancing and entertainment featuring this year's keynote speaker, Special Forces Operator and bestselling author Ray Goggins.

Thank you to all who attended and to Bank of Ireland for their support of this event.



Southern Region chair Majella Galvin addresses the Southern Region Annual Dinner.

# EVOLVE, SHAPE, LEAD

Chartered property, land and construction surveyors



From left: Shirley Coulter, SCSI CEO; Colin Richardson, CBRE; Claire Solon, Greystar; Dr Conor O'Toole, ESRI; Sarah Miley, Department of Further and Higher Education, Research, Innovation and Science; Enda McGuane, SCSI President; and, Hannah Dwyer, JLL.

CSI President Enda McGuane started off the day by welcoming those present, and thanking sponsors, and the team at the SCSI, for making the event possible. He then handed over to Claire Solon, Managing Director at Greystar, who ably chaired the first sessions of the day.

### **Economic issues**

Associate Research Professor at the ESRI Dr Conor O'Toole spoke about the outlook for Ireland's economy. He opened his presentation with the hard truth that Ireland is going into a recession this year. However, there is also positive news: inflation is set to fall, and the country has a low unemployment rate and strong public finances.

FEATURE

Rebecca Pollard Journalist and sub-editor Think Media Ltd



The next speaker was Colin Richardson, Head of Research at CBRE, who gave a detailed update on the investment market. It was his view that interest rates have peaked this year, which is good news after a very challenging year for investment, particularly in the office sector.

### Working patterns

Next to speak was Hannah Dwyer, Head of Work Dynamics and Research Strategy at JLL, on trends in hybrid working. With research showing an increasing return to the office, she said that companies are now focusing on ensuring that offices are properly equipped for the needs of employees. She added that areas like sustainability, wellness, and health and safety have remained important

### **SCSI EXCELLENCE AWARDS**

This year's Conference also saw the presentation of the first ever SCSI Excellence Awards. A panel of judges chose this year's worthy winners from a large number of nominated individuals and organisations, all of whom have made outstanding contributions to the profession and the SCSI. Many congratulations to all of the winners and commended nominees.

- Emerging Leader Award James McParland and Majella Galvin
- Undergraduate Dissertation Award 2022 Jack Stafford
- Undergraduate Dissertation Award 2023 Jonathan Riche
- Postgraduate Dissertation Award Catriona Finn O'Regan (Judges' commendation: Morongoa Sebola (not in attendance))
- Elevate Award: Kim Hegarty
- Innovation Award: The Office of Government Procurement
- Sustainability Champion Award: Krystyna Rawicz
- Community Development Award: Cairn Homes Plc (Judges' commendation: Corheens Residents Association)
- President's Award for Outstanding Contribution to the SCSI and Surveying Profession: Noel Larkin



Winner of the President's Award for Outstanding Contribution to the SCSI and Surveying Profession, Noel Larkin FSCSI FRICS.



Emerging Leader Award winners James McParland MSCSI MRICS and Majella Galvin MSCSI MRICS.



Undergraduate Dissertation Award winner for 2023 Jonathan Riche.



Postgraduate Dissertation Award winner Catriona Finn O'Regan MSCSI MRICS.



Elevate Award winner Kim Hegarty MSCSI MRICS.



Fergus McMahon and Helen Quinn accepted the Community Development Award on behalf of Cairn Homes Plc.



Charles Mitchell accepted the Innovation Award on behalf of the Office of Government Procurement.



Sustainability Champion Award winner Krystyna Rawicz FSCSI FRICS.



Undergraduate Dissertation Award winner for 2022 Jack Stafford.



Natasha Beegan of Corheens Residents Association accepted a commendation in the Community Development category.

factors for businesses, and that 80% of companies are increasing their technology budgets to drive decisions and help to manage portfolios.

All three speakers were then joined by Sarah Miley, Principal Officer at the Department of Further and Higher Education, Research, Innovation and Science, for a panel discussion where topics included skills gaps and projected skills needed for the future, and key insights, trends and technologies in the residential sector.

#### Housing viability

The findings of the SCSI's Real Cost of New Housing Delivery Report 2023, which was launched at the Conference, were presented by Micheál Mahon, Managing Director of MGM Partnership, and Chair of the Report Working Group. Micheál broke down information about private and public sector housing delivery costs, and national average costs, in seven regions across the country. Edward McAuley, Director of Practice & Policy, SCSI, then discussed the Report's comparison of delivery costs with average market values to create a picture of financial viability and affordability for a sample of home buyers presented in a number of scenarios.

For this session's panel discussion, Micheál and Edward were joined by Eibhlin O'Connor of Clúid Housing, Fergus McMahon of Cairn Homes, Aileen Gleeson of the Department of Finance, and Katherine Flattery of Regency. They covered the cost of housing and viability, as well as the problems caused by, for example, long delays in the planning process.

### **Understanding AI**

After a brief coffee break, members convened once again to hear Director of Arcadis, Philip Brown, speak on understanding generative artificial intelligence (AI). He explained AI as a model that can be used to assist surveyors with their work, and discussed prompt engineering as a skill to save time and money. He noted that AI cannot replace the work of industry professionals, but can be used to improve team workflows and clarity. Philip explained that at this moment in time, AI is the most incapable it is ever going to be, and that industries should gear up to understand and educate themselves on it.

Co-founder of Fifth Dimension AI, Johnny Morris, spoke to attendees about how to use AI to assist them in their work in the property sector, and how the company's AI model, Ellie, can automate and optimise tasks for professionals in a way that saves time by giving summaries and overviews of long technical documents.

Ross Gissane of Arcadis, Martin Searson of the National Standards Authority of Ireland, and Avril Behan of Solas joined Johnny and Philip for the panel discussion, where they discussed AI and legislation, AI as a quality assurance process, and the role of lifelong learning in helping surveyors adapt to new technology.

### Sustainability

Philippe Moseley, Policy Officer at the European Commission, spoke about EU policies for the green transition of construction. The talk was heavily focused around the move to a circular economy by way of transition pathways, and updating standards and regulations in line with sustainable efforts for best practice in construction.

Minister of State at the Department of Public Expenditure, National

Development Plan Delivery and Reform and at the Department of Environment, Climate and Communications, Ossian Smyth TD, spoke on plans for moving towards a more sustainable construction sector in Ireland, including the national retrofit programme and facilitating the circular economy.

### Leadership

The final session of the morning began with Dr Jonathan Westrup of Board Excellence, who presented on managing governance in organisations. He noted that good governance involves clear structures, defined roles and being organised. He also spoke about the importance of diversity, risk management, and environmental and social governance (ESG) in organisations and on boards.

The final speaker of the day was Ciarán Nevin, Senior Manager, Capital Projects & Infrastructure at PwC, to talk about cognitive bias in business and how to overcome it. His advice included planning ahead, comparing projects to a 'reference class' or similar project, and reviewing and learning as you go.

For the final panel of the conference, Louise Phillips of Aramark, SCSI CEO Shirley Coulter, and Philip Matthews of Turner & Townsend joined the speakers to discuss good governance and diversity at board and organisational level, including the SCSI's ongoing work on this issue during recent years.



# LAYING THE FOUNDATIONS OF A BETTER FUTURE

THE LAND DEVELOPMENT AGENCY IS SET TO BECOME THE STATE'S LARGEST HOMEBUILDER AS IT ACCELERATES THE DELIVERY OF AFFORDABLE HOUSING THROUGHOUT THE COUNTRY.





The St Kevin's Hospital site in Cork.

Devoy Barracks in Naas, Co. Kildare.

s the State's affordable housing delivery body, the Land Development Agency (LDA) is actively engaged in unlocking the potential of public and private land, building new communities, and helping to shape the country's future.

The LDA's primary objective is to ensure the provision of a steady flow of affordable and sustainable housing that not only meets the needs of a growing population, but also delivers a social return. This involves maximising the use of suitable land,

regenerating urban landscapes, and creating vibrant and diverse communities. As such, its staff are actively involved in some of the largest residential and regeneration projects in the country, working with Government departments, local authorities, State agencies, planners, project teams, developers, estate agents, local communities, and other stakeholders.

The LDA's commitment to industry collaboration, innovation and transparent engagement ensures that each of its projects genuinely reflects the aspirations of the communities it serves. As advocates of sustainable development, staff at the LDA are dedicated to making a lasting impact on housing need, delivering high-quality cost rental and affordable purchase projects that stand the test of time and adhere to best practice in planning, construction, and the provision of amenities.

### **Delivering homes**

The LDA is in the process of delivering 7,000 homes on State-owned or private land, with more to come. To date, it has secured planning permission for over 3,600 homes, with several projects





already underway, including 597 homes in Shanganagh in Dublin, 265 at the St Kevin's Hospital site in Cork, and 219 at Devoy Barracks in Naas, Co. Kildare. Another 3,600 homes are currently in the design and development phase.

The LDA is also involved in progressing development plans for large strategic Stateowned sites with the potential to deliver a high number of homes and rejuvenate underutilised parts of key cities, such as the Colbert Quarter in Limerick and Sandy Quarter in Galway.

Separately, the LDA has also announced its ambition to secure private land for further affordable housing delivery. The private land acquisition scheme is targeting sites with existing planning permission for 200-plus homes in the country's five main cities, and interested parties have been invited to contact the LDA if they have suitable sites that they may be interested in selling.

In addition to direct delivery, the LDA is also implementing Project Tosaigh, a Government initiative that involves the Agency stepping in to kick-start stalled, private-led developments and then making the resulting homes available



The LDA team. Back row (from left): Glenn Hanna, Senior Quantity Surveyor; Colin Butterly, Senior Building Surveyor; Aoife Kelly, Site Property Manager; Donal Kellegher, Acquisition Manager; and, John White, Head of Delivery. Front row (from left): Mairead Monaghan, Letting Property Manager; Noel Walsh, Cost Management Lead; Enda Sexton, Senior Quantity Surveyor; and, Shauna Callaghan, Development Manager.

### JOIN THE LDA'S TEAM OF SURVEYORS

Behind every successful LDA initiative lies a team of dedicated professionals. As it continues to grow its operations, the Agency is currently looking to expand its workforce across a variety of domains, from site acquisition to planning and development, cost management, asset management and construction management. While each of these divisions offers unique challenges and requires different modes of expertise, they all play an equally important role in the affordable housing delivery pipeline and offer an exciting opportunity to become part of what will soon be the country's largest homebuilder

as either cost rental or affordable purchase. Under this scheme, the LDA works in partnership with developers, ensuring that finance is made available to complete developments that would otherwise not proceed. To date, a pipeline of 2,700 homes has been secured, with an emphasis on the provision of cost rental homes.

#### The LDA in action

The LDA is working in partnership with a number of local authorities and public bodies to plan and deliver significant development projects. A leading example of such work is the ongoing construction of 597 affordable and social homes at Shanganagh Castle Estate in partnership with Dún Laoghaire-Rathdown County Council. All the homes involved in this project are being built to 'passive house' low-energy standards and will be located within a ten-minute walk of the planned DART station at Woodbrook.

At St Teresa's Gardens in Dublin city centre, the LDA is working with Dublin City Council and has planning permission for 543 homes. The approved plans feature arts, culture and community spaces, including a creche, café/retail unit and a mobility hub. As part of a wider rejuvenation plan for the Dublin 8 area, the scheme will also deliver open spaces and recreational facilities designed to complement neighbouring developments.

The LDA is also working with Dublin City Council on a major plan for over 1,000 homes at Cherry Orchard Point in west Dublin. This exciting project involves proposals to develop a vibrant and

diverse community on a well-connected 12hectare site. The plans for phase one of the project include 708 cost rental and social homes as well as new amenities and facilities, including a supermarket, commercial/retail units, internal and external community and cultural spaces, and a childcare facility. They also include a landscaped public open space, involving a plaza, multipurpose amenity lawn, play space, outdoor fitness trail, games area and a playqround.

As part of Project Tosaigh, a number of cost rental schemes are due to be launched in the coming months.

These follow the successful launch of 142 cost rental homes in Archers Wood in Delgany, Co. Wicklow, which were delivered in partnership with Cairn Homes.

Project Tosaigh also includes affordable purchase housing schemes. At Baker Hall in Navan, for example, the LDA has just delivered 50 affordable purchase homes in partnership with Glenveagh Homes.

#### Thought leadership

Apart from delivering affordable housing, the LDA is active in thought leadership in planning, design, construction, and community development. The Agency encourages staff to attend conferences and events, to share ideas, to consult widely and to seek to influence innovation and change in the industry.

As part of its remit to unlock underutilised State-owned land, the Agency recently submitted its Report on Relevant Public Land to Government. This report is the first of its kind, and will serve as a strategic guide for identifying and evaluating State-owned land that could be used for the delivery of affordable housing. A number of sites included in the report are due to be transferred to the LDA, with some already at advanced planning stages.

Meanwhile, the LDA has also completed a new Apartment Typology Booklet, which aims to boost the use of modern methods of construction through the standardisation of components produced off site. The LDA is also developing a low-rise typology booklet for houses and duplexes.

# **RESHAPING SURVEYING:** GLOBAL COLLABORATIONS IN AI

## ARTIFICIAL INTELLIGENCE IS ALREADY CHANGING HOW SURVEYORS WORK, AND HAS THE POTENTIAL TO REVOLUTIONISE THE PROFESSION.

n an age where technology is continuously reshaping every industry, the field of surveying is no exception. The advent of artificial intelligence (AI) has already altered the way surveyors work, while also redefining the education, skills and standards needed for success in the industry. In recent years, I have experienced the potential of global collaborations in AI first hand. In this article, I will have a closer look at its transformative power in terms of facilitating international expertise, overcoming language barriers, and addressing the significant issue of skill shortages.

### Surveying in the digital age

Surveying is a profession that is steeped in tradition; however, AI is powering a digital revolution. Fundamentally, the technology works by gathering vast amounts of data, which is then processed autonomously to generate content, potentially in the form of text, images, or even music. These impressive capabilities mean that AI is quickly becoming very well equipped to complete many human jobs. Within the field of surveying, the ability to diagnose defects, translate languages and support communications is providing many benefits in terms of global collaborations.

By automating routine tasks and augmenting human activities, it is possible to reduce costs, improve efficiencies and provide a deeper analysis. For example, the days of time-consuming site inspections are disappearing, with the latest technology often completely removing the need for a physical presence. Al-driven visual recognition software and Al-generated insights are capable of enabling surveyors to remotely inspect structures, identify defects and even provide detailed repair solutions. Images and videos gathered from drones and remote cameras can be processed using Al systems that are capable of quickly analysing vast datasets from around the world to understand defect severity, with data such as geographic location, weather conditions and historical figures all contributing to Al accuracy.

### **Global network**

In addition, instead of surveyors relying solely on their own expertise, AI can instantly provide access to a global network of expert knowledge. This collaborative and comprehensive approach

### FEATURE

**Ross Gissane** Partner and Sector Managing Director, Arcadis



means that analysis is no longer limited to a single person's knowledge. Instead, a seemingly endless wealth of knowledge around the world is available to provide precise, detailed assessments. When combined with AI's ability to detect patterns and details that could be missed through traditional surveying methods, there are many clear benefits.

Al not only allows surveyors to work remotely, but it also helps to overcome language barriers, which have been a significant hurdle within global collaborations. Al can remove these translation barriers in real time, which allows surveyors in one location to communicate seamlessly with colleagues in another part of the world, regardless of the languages spoken. Imagine being able to communicate with anyone, anywhere, regardless of language, through smartphones, earbuds, glasses or even implants!

After all, effective communication goes beyond simple words, and AI is capable of facilitating the transfer of knowledge and expertise without boundaries. This is a phenomenon that will have implications for how we all communicate, with the potential to build connections, wherever we are located, without limitations.

### Enhancing, not replacing

While this technology is revolutionary for the industry, it has raised fears that AI could replace the need for human surveyors. However, this is not the inevitable outcome.



Instead, AI will radically transform how work is completed by complementing and augmenting the capabilities of surveyors, who bring a deep understanding of architectural, engineering and construction principles to the profession.

By using AI to automate the mundane, repetitive tasks, while providing insightful, real-time support, a surveyor's expertise can be used where it is most productive: within complex problem-solving and decision-making tasks. AI skills are very impressive, but the technology lacks the genuine creativity, emotional intelligence, and ethical reasoning of humans, which is why it is so important to view AI as a tool to enhance the profession rather than to replace it.

Clearly, AI can be used to improve the efficiencies of day-to-day operations, so could it be used to solve the shortage of skilled professionals in the industry? As experienced surveyors retire, there is an obvious growing gap to fill, and AI has the potential to not just reduce the workload of busy surveyors, but to attract people to the profession.

For example, younger generations and tech-savvy individuals could be attracted to careers that allow them to embrace cutting-edge technology. In addition, the previous physical barriers of location and languages can be removed, allowing companies to employ surveyors from across the world.

### Education, skills and standards

While acknowledging the potential benefits AI technology could provide, there are still challenges that need to be overcome in terms of education, skills, and standards. To take full advantage of the potential global collaborations with AI, surveyors must learn how to effectively collaborate with the AI systems. This goes beyond simple data entry, and while AI is quickly providing surveyors with new capabilities, it is also shifting the traditional skill sets required. In an AI era, surveyors need to evolve alongside technology.

Today's surveyors require a deep understanding of AI's capabilities, as proficiency in AI-related technologies is essential. It is vital that surveyors develop an understanding of machine learning, data analysis and how the AI algorithms work. Without these skills, surveyors will be unable to effectively utilise the AI tools available, results will not be interpreted accurately, and informed decisions cannot be made. This increasing reliance on data also requires that surveyors become proficient in data management and privacy, as all data collection and use must adhere to legal and ethical standards. This means that surveyors must be capable of curating, cleaning and securely storing the large datasets required to maximise the AI system's potential, skills that were not required by surveyors traditionally.

In addition, as AI becomes more integrated into industry practices, the need for robust standards that apply around the globe is also becoming increasingly evident. This carries through to every area within a role, from the ethical standards relating to data privacy, bias and accountability, through to the safety standards that are implemented to ensure accidents and damage are avoided during remote inspections and automated processes.

#### Reshaping the global surveying industry

Global collaborations within AI are reshaping the industry with the ability to collaborate and work remotely becoming standard practice. Of course, AI is a field that is evolving rapidly, which is why it is essential that surveyors embrace a mindset of continuous learning through training, certifications and professional development courses. This continuous education is essential if the high standards, which have always played a critical role in the industry, are to be upheld.

With issues such as skills shortages looming, enhancing capabilities today could potentially address many of the challenges within the industry, while also improving efficiency, accuracy and safety. In a world where technology is continually evolving, I believe that surveyors should embrace AI. Utilising AI is not just an option, but a necessity for the surveying industry to thrive in the digital age.

As AI and surveying converge, the future promises a more efficient, accurate and innovative industry. By embracing AI, fostering global collaborations and prioritising education and ethical practices, the surveying profession is poised for continued success.



A NEW EU DIRECTIVE REQUIRING CORPORATE SUSTAINABILITY REPORTING HAS SIGNIFICANT IMPLICATIONS FOR THE REAL ESTATE SECTOR.

he EU Corporate Sustainability Reporting Directive (CSRD) requires companies to make detailed disclosures around sustainability performance and the impact of the business's activities on people and the environment. Disclosures are prescribed by the European Sustainability Reporting Standards (ESRS), which address environmental, social and governance (ESG) topics, as well as two cross-cutting standards.

While the CSRD introduces extensive reporting requirements for companies in its scope, it is important to note that the intent of the CSRD is to drive change in business conduct. The Directive requires organisations to analyse sustainability issues, relate them to financial opportunities, risks, and impacts on society and the environment, and disclose strategies for

FEATURE

Aidan Lucey Partner, PwC Julie Fironova Senior Manager, PwC



managing sustainability performance along with financial performance.

The Directive is important for the real estate sector, as this sector has a large impact on climate change, with buildings representing a considerable share of energy consumption and emissions.

### Who's in scope?

The CSRD will be phased in over time, with the first group of companies in scope for reporting from 2025 based on 2024 data. The companies in the scope of the CSRD include:

 companies with securities listed on an EUregulated market (with some exceptions);

- unlisted EU companies that meet certain size criteria; and,
- unlisted EU parent companies meeting a certain turnover threshold in the EU that have a subsidiary or branch in the EU.

### What needs to be disclosed?

The information reported under the CSRD will not be limited to a company's own operations, but will extend to its value chain, i.e., the stakeholders in the company, including suppliers and investors. There will be a long lead-in time for companies in scope to prepare for reporting under the CSRD, which will involve assessing their current position, setting plans around business transformation, and then reporting on the journey over time. This will also require having the right systems and processes in place to measure and collect the required data.

Companies will only need to disclose on sustainability topics that are material to the business, with the exception of some disclosures that are mandatory under the general ESRS. This will involve assessing the impact, risk and opportunity of each sustainability matter. Accordingly, the CSRD will implement a double materiality approach, a process that will require companies to assess impact materiality as well as financial materiality. While financial materiality is a concept a lot of entities will be familiar with, impact materiality will be a new concept for many and will require looking at how people and the environment are affected by the company's operations. Impact materiality looks at the impact the company has on sustainability matters including the environment, people and the economy (inside-out perspective). The materiality assessment should be performed by reference to the company's activities and the value chain.

### Impact, risk and opportunity

It is important to note that while the ESRS prescribes reporting standards, where an entity concludes that an impact, risk or opportunity is not covered by the ESRS but is material due to specific facts and circumstances, it should be disclosed within the report. This will require entities to holistically look at their operations and consider the impacts, risks and opportunities of their activities. An example of an area that may be material is tax, given that taxes paid by the company often represent its biggest monetary contribution to society and pose a significant reputational and financial risk where taxes are underpaid or where the company is perceived to be using aggressive tax strategies. Where a company concludes that tax is material, it will need to make disclosures on areas such as tax strategy, tax governance, tax risk management and country-by-country tax payments. Even if tax is not considered material, tax-related disclosures will often feed into disclosures made under other material sustainability topics.

### Third-party assurance requirement

Sustainability information will require the same level of rigour as financial reporting. The CSRD requires sustainability reporting to be included in a dedicated section of the management report, which will need to be filed together with the financial statements. There will also COMPANIES WILL ONLY NEED TO DISCLOSE ON SUSTAINABILITY TOPICS THAT ARE MATERIAL TO THE BUSINESS, WITH THE EXCEPTION OF SOME DISCLOSURES THAT ARE MANDATORY UNDER THE GENERAL ESRS.

be an assurance requirement over the management report, starting with limited assurance, which will later transition to reasonable assurance. The sanctions for non-compliance are wide ranging and may include audit failure, fines, criminal sanctions and prosecution, as well as reputational risk and exposure to litigation.

### Impact on the real estate sector

Given the wide scope of the CSRD, a large number of real estate entities will likely fall in scope by virtue of being a listed entity (REITs) or meeting the criteria for non-listed entities. Real estate has a large impact on emissions due to carbon associated with construction and operational activities housed in buildings (e.g., electricity and heat). This will represent both challenges and opportunities for the sector, as investors and customers will have greater interest in ESG performance. Real estate organisations in the scope of the CSRD will need to consider the current sustainability position and implement a sustainability strategy that will enable the company to meet its sustainability targets and goals in order to prepare for reporting.

### **KEY ACTIONS TO TAKE NOW**

- 1. Assess if your company is in scope of CSRD reporting and the effective date for reporting obligations.
- Carry out a scoping exercise to determine an overview of sustainability matters.
- 3. Perform a double materiality assessment to determine the sustainability matters that are material for the organisation.
- 4. Develop and implement a sustainability strategy with measurable targets and goals.
- 5. Review the systems and controls in place, and ensure that they are adequately equipped to collect and measure the required information.
- Identify gaps in the company's information that could inhibit reporting and set out a plan to measure and collect the required data.

# DACHAU, THE NAZIS AND MERRION SQUARE

## THE FASCINATING STORY OF THE ONLY IRISHMAN TO BE HELD AT DACHAU HAS A SURPRISING LINK TO SCSI HEAD OFFICE.

achau is located in north-west Munich, much closer to humdrum suburbia than you might think such a notorious camp would be. It opened as a concentration camp for political prisoners in 1933, and was extended in 1938 using prisoner labour. Even though Dachau had a crematorium, and some 30,000 prisoners died there during its existence, it was not an extermination camp like Auschwitz in Poland. Its main prisoner

population consisted of Jews, Roma, communists, trade unionists, Jehovah's Witnesses, homosexuals, political opponents, repeat offender criminals, and general 'asocials'. Among the many displays of photographs and artefacts at the camp, there is a map showing how many prisoners from each country were interned there. Over the map of Ireland is the number 'one', but no further details: cue a little research.

### Early life

The number one in question turned out to be John McGrath of Elphin, Co. Roscommon. Born in 1894, McGrath moved to Lancashire in 1910 and enlisted in the officer training corps, but only after adding two years to his age and lying about having attended Trinity College Dublin, as the corps only took those who had been to public school or university.

As a British Army officer, McGrath fought at Gallipoli and was injured in France in 1916 and sent back to Britain, where he remained. He had hoped to stay in the British Army after the war but was instead transferred to the Territorial Forces Reserves in 1922, where he stayed, even on returning to Ireland. McGrath had been working as an administrative assistant with the Gordon Hotel in London, but in the late 1920s he became involved in setting up the Grand Prix Motor Race in the Phoenix Park and the Military Tattoo at Lansdowne Road.

From 1929, McGrath was manager of the new Savoy cinemas in Dublin and Cork. In 1935, he became the manager of the recently opened Theatre Royal on Hawkins Street, Dublin 2. As he had remained a British Reservist, in September 1939 he was called up again and assigned to the Royal Engineers. He could have avoided this, but he was an adventurous man, and so the idea of a return to the army was not entirely unwelcome.

### Prisoner of war

Captain McGrath landed with the British Expeditionary Forces at Dunkirk in spring 1940, but was not one of those evacuated when everything went wrong. Instead, he remained fighting in France, now

### FEATURE

Dr Lorcan Sirr Senior Lecturer, Technological University Dublin



ADDRESS ADD

promoted to Major (officially acting Major), until he was wounded three months later in Rouen and eventually captured by the Nazis.

There followed a 560km prisoner march to Trier in Germany, where he ended up in a prisoner-ofwar (POW) camp for officers near Salzburg.

The Nazis were now separating POWs by ethnicity and nationality, and had established a camp for Irish prisoners just north of Berlin in Friesack. Their plan was to convert these Irish prisoners to Nazi sympathisers and train them for spying and sabotage. In 1940, there were about 1,000 Irish-born British soldiers in POW camps in Germany, including 180 in Friesack. It was an unruly camp, and under instruction from his superior officer, McGrath volunteered himself to the



John McGrath's grave in Elphin, Co. Roscommon. (Photograph: Lorcan Sirr.)

Nazis to take charge and calm things down. However, his real mission was to undermine the Nazis' attempts to turn Irish prisoners into spies, by creating his own double agents. A wire-tap on a phone line to the Irish embassy in Rome caught an Irish priest unwittingly reporting on McGrath's real intentions. Accused of espionage, he was handed to the Gestapo. They didn't want to execute him for fear of risking Ireland's neutrality, yet they could not send him to a POW camp, so he was sent to Sachsenhausen concentration camp instead. For ten months he was alone in a cell before being transferred to Dachau in February 1943.

### Time in Dachau

By now a Colonel (although there is a record of McGrath admitting to promoting himself in order to get better traction with the local Nazis), in Dachau McGrath was part of a group of elite hostages taken by the Nazis to be used to barter with the Allies. His illustrious fellow hostages included Léon Blum, former prime minister of France, and his wife Jeanne, and Kurt Schuschnigg, the former chancellor of Austria, and his wife Vera Fugger von Babenhausen. The use of hostages was an attempt by the Nazis to begin an open dialogue and to engage with the Allies in negotiations. McGrath stayed in Dachau for nearly two years, until just three days before the Americans came to liberate the camp, when the 'special prisoners' (otherwise known as the *Prominenten*) were moved to the Innsbruck camp of Reichenau with *Prominenten* from other camps. Among those in Reichenau were three men from Tipperary who McGrath

had known in Friesack: Thomas Cushing; Andy Walsh; and,



Patrick O'Brien. Cushing is most known for having had a fight with Joseph Stalin's son, Yakov Dzhugashvili, and chasing him with a knife, which eventually led to the shooting of the Soviet leader's son by a German sentry. The high-value prisoners were next moved to Southern Tyrol in northern Italy, where McGrath and 130 others were locked up in freezing temperatures with no food in a hotel that had been closed for six years.

### Life after liberation

Unbeknownst to all, the US Army had been tracking the procession of *Prominenten* prisoners – Nazi documents that were later recovered showed they were to be shot rather than allowed to fall into Allied hands. The US Army then captured the Nazi soldiers who were guarding the *Prominenten*, and sent the prisoners to Verona, Naples and London. From there, McGrath was brought back to Dublin in June 1945.

The Theatre Royal, owned by Louis Elliman, hosted a reception for McGrath on his return. A few months later, John McGrath, now Officer of the Order of the British Empire (OBE) (although, like his promotion to Colonel, there are doubts about this award), returned to work as manager for Elliman. He was not well mentally or physically, having resigned from the Royal Engineers due to a nervous disorder, as well as suffering from intestinal issues. Seventeen months later, Colonel John McGrath OBE died at home on November 27, 1946, and was buried in Elphin. His home was 38 Merrion Square.



# COMMERCIAL REAL ESTATE FINANCE REVIEW AND OUTLOOK

WHILE SUCCESSIVE INTEREST RATE RISES HAVE CREATED CHALLENGES IN 2023, THE OUTLOOK FOR 2024 IS CAUTIOUSLY OPTIMISTIC.

his has been a year of structural shifts within the commercial real estate lending sector, with the European Central Bank (ECB) consecutively raising deposit interest rates from a record low of -0.5% in June 2022 to 4% in September 2023. These 10 consecutive rises have been the steepest interest rate hikes since the establishment of the Euro currency. A 4% deposit interest rate is also the highest since the inception of the Euro. The three key ECB interest rates now stand at 4% (deposit rate), 4.5% (main refinancing operations) and 4.75% (marginal lending facility).<sup>1</sup> Each of the three ECB rates have been increased by 450 basis points within a 13-month period.

The ECB outlines its mandate as to manage inflation at 2%. With this most recent interest rate hike in September 2023, the ECB expects inflation to return slowly to the 2% target by 2025, but alongside this has revised downwards expectations for economic growth. The ECB projects Eurozone economic growth for 2023 as 0.7%, 1% in 2024, and 1.5% in 2025. This compares with an enviable Irish position of projected growth of 1.8% for 2023.<sup>2</sup>

The ECB advises that it will keep a "data-dependent" approach to the appropriate level and duration of current interest rates. While it has not ruled out another increase, market sentiment indicates that interest rates may remain at their current level into mid-2024.

### A period of transition

Within the commercial real estate market, current interest rates have significant implications. Leveraged real estate investors have been operating in a 0% interest rate environment from as far back as 2012, and historically low interest rates prior to that dating back to 2008 (2% deposit

### FEATURE

Mairead O'Sullivan Chartered Surveyor and Irish Managing Director, SitusAMC.



rate), until 2022. It is clear that we are in a period of significant transition. Historic data will show that as interest rates rise, so too must real estate investment yields. Herein lies the heart of the transition.

Real estate market data, as at Q3 2023, outlines commercial real estate investment turnover for Q3 2023 as approximately €440m.<sup>3</sup> This equates to 40% of the long-term guarterly average of €1.1bn. Sentiment and evidence indicate that the number of active buyers in the market has decreased. From those investors who remain active in the market, there is an increased focus on yield spread, energy ratings and tenant covenants. Assets in the hospitality, most sought after, along with 'defensive' assets such as grocery supermarkets. Repricing appears to be continuing in the market, with misalignment. It is likely that higher debt costs may force asset sales and bring more product to market, potentially crystallising a repricing of the market.

At SitusAMC, we form part of the real estate cycle from initial underwriting, loan drawdown process, and repayment cycles, to refurbishment/development drawdowns and ultimate loan repayment and/or renewal. We currently have €120bn in commercial real estate loans under management in Europe. Our clients include global investment banks, commercial banks, debt and equity funds, pension funds and insurance companies. Our role across numerous sophisticated lenders has widened our depth of knowledge on current lending appetite and sentiment. As with every structural market shift, opportunities will emerge.

From what we are seeing across our real estate loan books, asset management teams during 2023 have been focused and diligent in managing existing commercial real estate loan portfolios and loan renewals as interest rates have continued to rise. Equity injections are forming part of the conversations. For 2024, skilled loan asset management will continue to be a core business focus, with loan renewals and existing loan asset management forming a large part of the commercial real estate lending mandate. Experienced and skilled loan asset management skills will prove advantageous to lenders in the commercial real estate sector.

### Focused opportunities

At SitusAMC, we are seeing significant amounts of opportunistic capital ready for deployment into focused real estate opportunities. 'Focused' opportunities is the theme emerging. Lenders and investors are highly selective in this interest rate environment about the type of commercial real estate product they wish to invest in, in terms of asset sector, quality and yield profile. We would deem lending appetite generally for 2024 as 'cautiously optimistic', with the flight to quality theme continuing. Environmental, social and governance (ESG) credentials remain a high priority for lenders. Lending appetite is subdued at best for

secondary product that does not meet lenders' ESG targets. Opportunities may emerge within the secondary real estate market for non-bank lenders and debt funds, and those with equity ready for deployment. 2024 will be an interesting year.

#### References

- European Central Bank. Key ECB interest rates. https://www.ecb.europa.eu/stats/policy\_and\_ex change\_rates/key\_ecb\_interest\_rates/html/inde x.en.html.
- ESRI. Dual economy in focus: domestic growth continues to be robust while multinational activity slows. https://www.esri.ie/news/dualeconomy-in-focus-domestic-growth-continues-t o-be-robust-while-multinational-activity.
- Colliers. Q3 2023 Capital Markets Report Launched.
  - https://www.colliers.com/en-ie/news/q3-2023capital-markets-report-launched.



# A GLOBAL STANDARD

THE SCSI IS HERE TO SUPPORT MEMBERS AS THEY MOVE TO THE USE OF THE INTERNATIONAL COST MANAGEMENT STANDARD.

he International Cost Management Standard (ICMS) is a global standard for the benchmarking and reporting of construction project cost and carbon, providing common cost groups across all project types, and is part of a wider set of standards including the International Property Measurement Standard (IPMS) and the International Land

Measurement Standard (ILMS). It provides a single methodology and structure for measuring, defining, recording, grouping and classifying capital costs, life cycle costs and carbon emissions associated with construction projects and constructed assets. The ICMS will allow for transparent benchmarking of life cycle costs and carbon emissions internationally, nationally or regionally, enabling informed investment decisions to be made on the design and location of construction projects.

### World first

Accurate and consistent cost reporting and planning are essential for professionals in giving advice to their clients. Up to now, cost professionals in Ireland have mainly relied on the National Standard Building Elements (NSBE) cost reporting system for cost reporting building construction costs.

Knowledge of and familiarity with the ICMS will become increasingly important in the near future, as clients and those undertaking projects reporting through the Infrastructure Guidelines (formerly named the Public Spending Code) and the Capital Works Management Framework (CWMF) will be required to report construction costs and carbon emissions in accordance with the ICMS format. In addition, the Office of Government Procurement (OGP) is mandating the use of the ICMS in projects from January 2024.

The latest iteration of the ICMS, ICMS 3, provides a way of presenting capital and whole-life costs in a consistent format. With the built environment responsible for around 40% of global carbon emissions, it is crucial that professionals have clear, comparable data to achieve carbon and cost targets. ICMS 3 was developed by the ICMS Coalition of 49 globally prominent cost management organisations – a world first for cost and carbon management in infrastructure.

### FEATURE

James Lonergan Director of Education and CPD SCSI





ICMS 3 will contribute positively to efforts to decarbonise the construction sector in the most cost-effective way. Through ICMS 3, professionals will, for the first time, be empowered to deliver a globally consistent method for carbon life cycle reporting across construction projects, from buildings and bridges to ports and offshore structures.

#### **SCSI** initiatives

In order to support members in preparing for this change, the SCSI has published an ICMS explainer document and a document mapping ICMS 3 to the NSBE. In addition, a short CPD course will be available on the SCSI website before the end of 2023. The OGP has also published cost control templates incorporating ICMS 3 for a range of project types, which are located in pillar three of the CWMF website. These templates are available for use now in contracts going to tender. Currently, use of the templates is optional; however, their use will become mandatory for projects commencing Stage (i) of the CWMF in January 2024. Members should keep an eye out for further supports, training and guidance from the SCSI throughout 2024.

#### Resources

- SCSI. International Construction Measurement Standards (ICMS) explained. Available from: https://scsi.ie/international-construction-measurementstandards-icms-explained/.
- SCSI. Guide to Mapping NSBE to ICMS Information Paper. Available from: https://scsi.ie/guide-to-mapping-nsbeto-icms-information-paper/.
- www.gov.ie. Capital works Management Framework Changes to Cost Control to include Whole Life Costs. Available from: https://constructionprocurement.gov.ie/changes-to-cost-control-to-includewhole-life-costs/.

# **FINDING BALANCE**

EITHNE CAROLAN, PROJECT SURVEYOR AT MODULE GROUP, SPEAKS ABOUT HER CAREER AND EXPERIENCE WORKING AS A PART-TIME SURVEYOR.

ithne's surveying career started in Dundalk Institute of Technology (DkIT), Louth, with a certificate in construction studies, which she initially intended to use for a

conversion course into architecture in Dublin Institute of Technology (DIT) [now known as TU Dublin]. However, she later decided, after a brilliant experience working in surveying during a summer job, to continue with her course in DkIT, from which she graduated with a Bachelor of Science in Building Surveying. From there she has had an interesting and varied career, working in surveying, insurance and property loss management, auctioneering, lettings, and even as a fitness instructor, before circling back to surveying part time following maternity leave.

### A new opportunity

Eithne says: "I decided that going back full time wasn't for me. There are other ladies out there that are happy to go back full time, but from my point of view, what I wanted for me and my family was just to be working part time. I think life can be hard enough, never mind trying to juggle a family and working full time".

Eithne has been working with Module Group as a part-time surveyor since April and says the opportunity arose from a chance conversation with the company's Director, Andrew Ramsey, at a college reunion. She continued: "I was on maternity leave at the time and he actually opened up the question by saying: would you be interested in getting back into surveying? I said,

### SURVEYOR PROFILE

Rebecca Pollard Journalist and sub-editor Think Media Ltd yes, I would be and he said give me a call in the new year and we'll have a chat, so that's exactly what I did".

### Challenges

Eithne believes that one challenge for those working part time is staying organised in both work and at home so that no problems arise. She continues: "I work three days a week and I do find that working three days a week, you really have to focus your mind in terms of getting projects done, because my Wednesday is my Friday. So when you go in on a Monday, you're catching up from the previous week when you haven't been in, and obviously the rest of the industry is still working away and you have emails and phone calls, and you have to be really focused". In this way, Eithne believes that having a high level of organisation can reduce any negative impact between work life and home life.

Another challenge that Eithne notes is that of a smooth integration into a new working environment/company. She adds: "I suppose you're trying to be as focused as you can and then it does definitely take away from the interaction and the integrating, and getting to know my new colleagues particularly".

Despite some challenges, Eithne credits Module Group for care and assistance with her part-time working arrangement. Aside from technical support such as learning resources and information, she believes that the most valuable type of support a company can have towards part-time, working parents or carers is a level of flexibility and understanding of the employee's individual requirements. She adds: "Obviously you try and keep your personal and your professional life as separate as you can, but one will always, at various stages, affect the other".

### Time for change

For those considering part-time work, Eithne recognises that while there are some challenges, this type of arrangement is brilliant if you are trying to balance work and personal life. She thinks that the industry needs to open itself up more to part-time positions due to the massive skills shortage. She continues: "I think more companies need to start thinking outside of full time. With part time, there's huge variations in it and it's just a matter of figuring out what works for the employee and the employer. And if both sides are flexible, I would say you will always get something to work and something that fits".



Eithne lives in Slane, Co. Meath, with her husband and two children. She is very active, with an interest in running and cycling, and has taken part in adventure races in the past. She also plays with the local GAA Gaelic Mothers and Others (GM&O) team in Slane and says: "It's been an amazing experience joining them. As much as from a fitness point of view, the GM&O is a super outlet for ladies. I think that getting out, being active and interacting with other women helps to improve mental health, so I definitely think it's worth a mention".

## THE POWER OF Soil Stabilisation

SOIL STABILISATION HAS THE POTENTIAL TO SIGNIFICANTLY REDUCE BOTH CONSTRUCTION COSTS AND RELATED EMISSIONS.



oil stabilisation, a widely accepted global technique, transforms soil with lower bearing capacity into structurally sound material. Through remediation techniques such as treatment with a binder agent (usually lime or cement), the material may be rendered structurally acceptable and capable of replacing quarried aggregates and concrete in particular applications.

### **Detailed process**

The method of re-engineering soil is a detailed process entailing the treatment of excavated material to enhance its physical properties. Once excavated, the soil may need to be screened initially to remove boulders and stones. The soil under treatment is amalgamated with a designated binder in a mobile continuous mixing plant. Subsequently, the treated material is spread in layers (typically 300mm) before compaction, and this process is repeated until the desired formation level is reached. This eliminates the need for lean mix concrete in

### **THE LAST WORD**

Fergus McMahon Director of Commercial & Procurement, Cairn



foundation trenches, excessively high rising walls in floor construction, unnecessary capping stone, and 6F2, in floors, paving and roads, and provides an ideal surface to support scaffolds and improve general health and safety.

### A sustainable solution

The impact of construction works on the environment is well documented, with some estimates stating that construction activity is responsible for 13% of the world's carbon emissions. Consequently, practitioners within the industry wield substantial influence over environmental damage through their adopted practices. The reduction in the importation of aggregates through stabilisation works is an excellent way to limit the environmental impact of a construction project. By eliminating the need for a capping layer and providing an alternative structural fill material under buildings, the demand for guarried raw materials is reduced. Soil stabilisation is significant because guarrying is resource intensive and has a range of environmental consequences, including habitat destruction and carbon emissions from both the extraction process and the transportation of the extracted materials. This not only aligns with sustainability objectives, but also significantly contributes towards mitigating biodiversity loss, making it a viable choice in delivering more environmentally sympathetic projects.

In a recent residential scheme, Cairn employed soil stabilisation techniques to elevate ground levels by repurposing surplus material from another project that would have otherwise ended up in landfills and been classified as waste. This not only saved on landfill fees but also reduced the carbon footprint by 65% by minimising truck movements and emissions. In carbon terms, this saved almost four tonnes of emissions per residential unit.

### Forward-looking innovation

Beyond environmental benefits, embracing soil stabilisation aligns with national policies, offering sustainability and business efficiency. From a commercial standpoint, soil stabilisation offers cost benefits in terms of reduced landfill fees and lower costs associated with purchasing new materials. Therefore, it's a win-win for both sustainability and business efficiency. The industry's adoption of this technology, with the support of regulatory bodies, can pave the way for its inclusion in standard technical guidance documents, ensuring a more widespread and accepted alternative to traditional construction methods. This forward-looking approach not only complies with national waste policies, but also positions soil stabilisation as a key innovation in the future of sustainable construction practices.

## **PROPERTY IN** THE IRISH TIMES





Ph: 01-6758585 | irishtimes.com

## THE IRISH TIMES



## THE BUILDING CONSULTANCY

## **Building Surveying**



ii.

www.thebuildingconsultancy.ie