

- Chartered Quantity Surveyor
- 18 years' experience
- Senior Development Manager at Respond
- Focusing on large scale developments
- *Contributor to the SCSI 'Real Cost of Renovation Report – Vacant and Derelict Properties'*
- *Currently undertaking a refurbishment of a Vacant building (Commercial to Residential)*



- Commercial Considerations
- Renovation Costs
- Achieving BER targets/Design of works
- Sources of Finance
- Grants

Why Second-Hand homes?

- Affordability issues persistent with new build homes for many house buyers
- First time buyer affordability issues across most regions in the country inclusive of government supports (HTB)
- Only 3 regions producing a positive affordability result based on the purchase of a new three-bedroom semi-detached home

Price of second-hand homes buoyant due to challenging market conditions

- Buyers purchasing seeking second hand homes due to both supply and affordability issues
- Supply of second-hand homes reversing due changing economic conditions
- Second hand homes holding value due to market conditions
- Many second-hand homes are old housing stock with low BER ratings
- *Pressure to purchase a home versus making an informed commercial decision*

*Only 11,000
properties for sale in
December 2023.
Down 27% year on
year.*

Commercial Considerations - Viability

- Viability key to raising finance
- *No viability – No Finance – No Project*
- Only 4 out of 13 properties were viable in the SCSI 'Real Cost of Renovation Report
- Rebasing of construction costs for 2024 provides similar results
- Growing parity between Dublin and Regional construction costs decreasing viability outside of the GDA.

Viability challenging given the market valuation of 'pre renovation' second hand homes

	Total development costs, incl. VAT	Market value pre renovation	Market value after renovation	Financial viability assessment (without any grants)	Financial viability assessment with Croí Cónaithe (Towns) Fund Scheme (€30k)	Financial viability assessment with Croí Cónaithe (Towns) Fund Scheme (€50k)	Financial viability assessment with €50k Croí Cónaithe + SEAI* (€21.5k)	If Croí Cónaithe (Towns) Fund Scheme is €100k
Trim, Meath	€328,896	€95,000	€350,000	-€73,896	-€43,896	-€23,896	-€2,396	€26,104
Salthill, Galway	€374,774	€725,000	€1,175,000	€75,226	€105,226	€125,226	€146,726	€175,226
Askeaton, Limerick	€161,477	€40,000	€140,000	-€61,477	-€31,477	-€11,477	€10,023	€38,523
Abbeyfeale, Limerick	€189,601	€55,000	€145,000	-€104,601	-€74,601	-€54,601	-€33,101	-€4,601
Askeaton, Limerick	€219,657	€30,000	€145,000	-€104,657	-€74,657	-€54,657	-€33,157	-€4,657
Ballinalack, Westmeath	€227,824	€85,000	€225,000	-€87,824	-€57,824	-€37,824	-€16,324	€12,176
New Bride Street, Portobello, Dublin 8	€377,162	€385,000	€865,000	€102,838	€132,838	€152,838	€174,338	€202,838
Main Street, Dundrum, Dublin 14	€338,256	€410,000	€575,000	-€173,256	-€143,256	-€123,256	-€101,756	-€73,256
Dun Laoghaire, Dublin	€176,203	€245,000	€425,000	€3,798	€33,798	€53,798	€75,298	€103,798
Prosperous, Kildare	€289,673	€170,000	€325,000	-€134,673	-€104,673	-€84,673	-€63,173	-€34,673
Schull, Cork	€280,022	€300,000	€600,000	€19,978	€49,978	€69,978	€91,478	€119,978
Kells, Meath	€291,540	€200,000	€400,000	-€91,540	-€61,540	-€41,540	-€20,040	€8,460
Beara, Cork	€605,410	€230,000	€450,000	-€385,410	-€355,410	-€335,410	-€313,910	-€285,410
Killarney Post Office, Kerry	€1,135,672	€675,000	€1,200,000	-€610,672	n/a	n/a	n/a	n/a
Bailieborough, Cavan	€1,098,320	€100,000	€800,000	-€398,320	n/a	n/a	n/a	n/a
Henry Street, Dublin	€658,805	€165,000	€790,000	-€33,805	n/a	n/a	n/a	n/a
Kilkenny Post Office, Kilkenny	€516,218	€200,000	€630,000	-€86,218	n/a	n/a	n/a	n/a
Grafton Street, Dublin	€861,726	€378,000	€1,300,000	€60,274	n/a	n/a	n/a	n/a
Main St, Askeaton, Limerick (Unit 1 and 2)	€353,573	€150,000	€385,000	-€118,573	n/a	n/a	n/a	n/a
Clondalkin, Dublin 20	€490,799	€120,000	€440,000	-€170,799	n/a	n/a	n/a	n/a

Investor-type property Owner occupier-type property

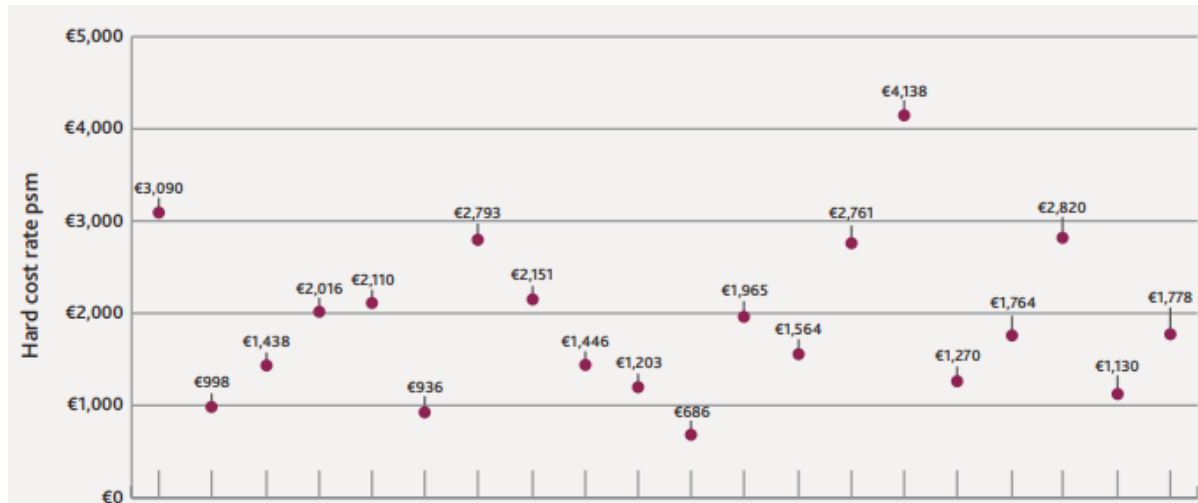
Viability Assessment: SCSI Real Cost of Renovation Report

Renovation Costs

- No one project the same
- *Varying condition, desired specification and overall scope will determine the cost per m²*
- Cost per m² of € 1,200 - € 1,500 achievable
- New build extension € 2,500 - € 3,000 per sqm (white box)
- Focus on cost drivers to promote Value Engineering
- Understanding procurement options

Focus on cost drivers:

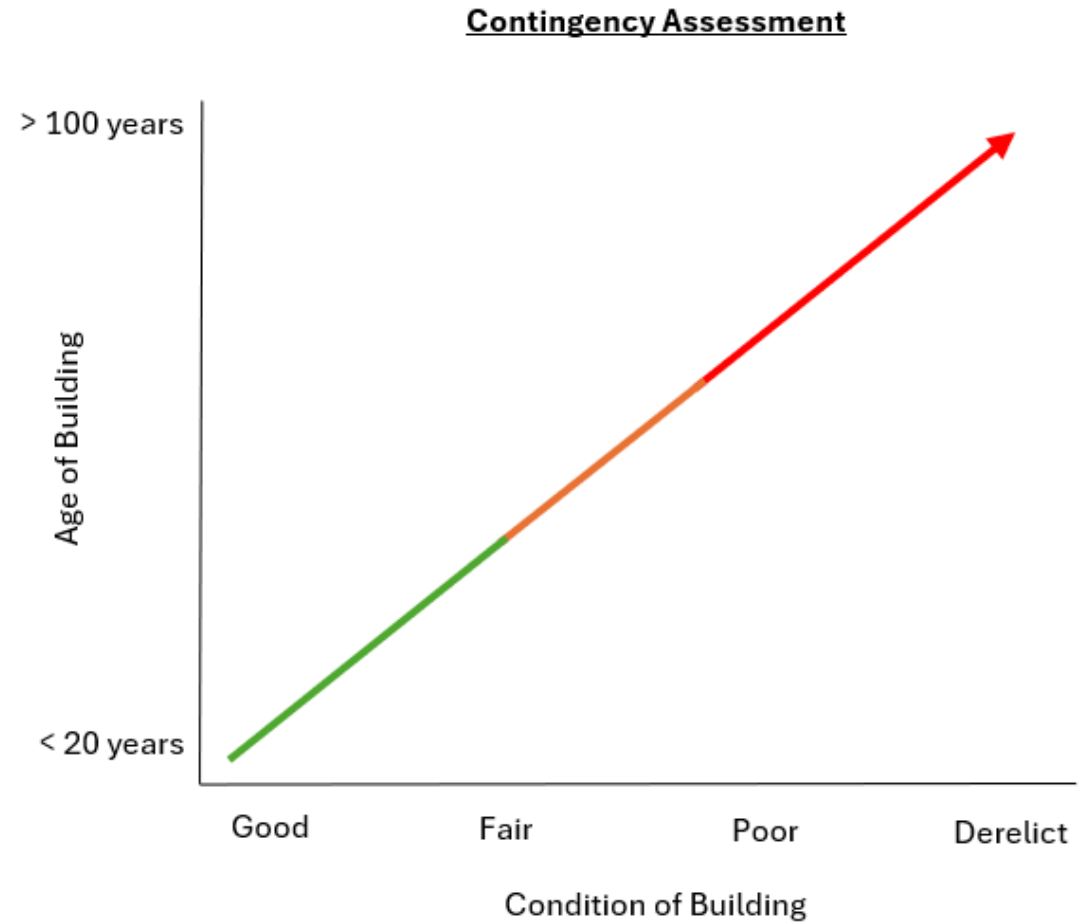
- *M&E*
- *External Completions*
- *PC Sums*



Viability Assessment: SCSI Real Cost of Renovation Report

Renovation Costs – Assessment of Contingency

- All refurbishment projects require a contingency
- Lack of opening works present risk
- *Level dependent on condition and age of building*
- Contingency of 10% - 15% required
- Contingency utilised for unforeseen structural work, ground works and detailing.
- Important to inform prospective purchasers of the potential risk involved with a secondhand home.



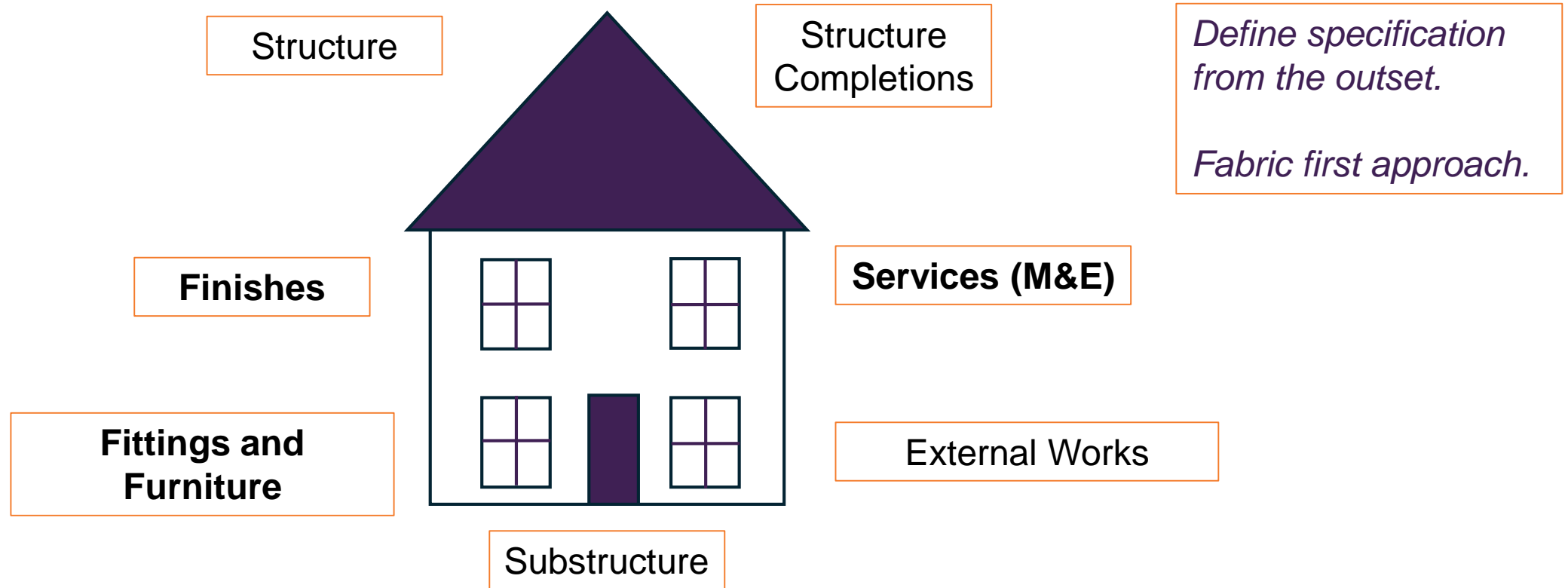
Renovation Costs – Assessment of Contingency



Replacing of floors on a vacant building.
Appropriate contingency allowed for on the project.

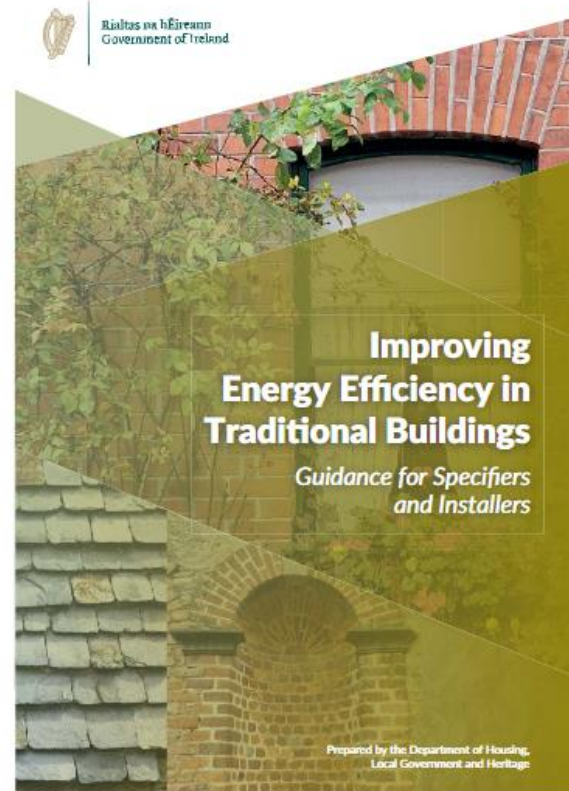
Achieving BER targets/Design of works

- After 1 November 2019 new building standards applied to major renovations on existing residential dwellings. (>25% of the surface area)
- *A B2 BER or equivalent is required.*
- Cost Management built on a defined specification



Achieving BER targets/Design of works - Detailing

- Design guidance required from the outset
- *Detailing required for internal and external fabric upgrades*
- *Different buildings will have different solutions*
- TGD L
- Optimal detailing and Energy performance versus best economical outcome

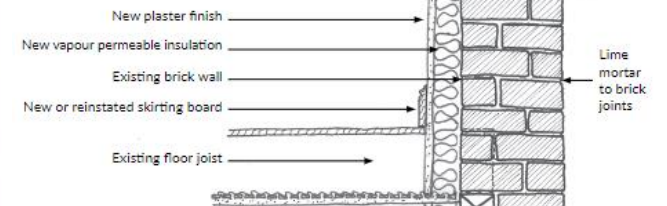


Insulation boards should fit tightly and neatly against each other and other components. All joints and corners should be taped. Insulating plasters may not require airtightness tapes.

Reveals should be insulated to at least the extent necessary to ensure that the critical surface temperature is achieved, see TGD L, Appendix D for details.

Depending on wall and insulation type, a lime plaster layer may be required to create a smooth surface to receive the insulation layer. Note: gypsum-based plaster should not be used on the cold side of insulation due to its moisture retention properties.

Wall insulation should be continuous through the intermediate floor zone to prevent surface condensation forming on uninsulated wall surfaces within the floor zone. Taping around joists will reduce the risk of exfiltrated warm air condensing in the vicinity of joist ends embedded in the wall.

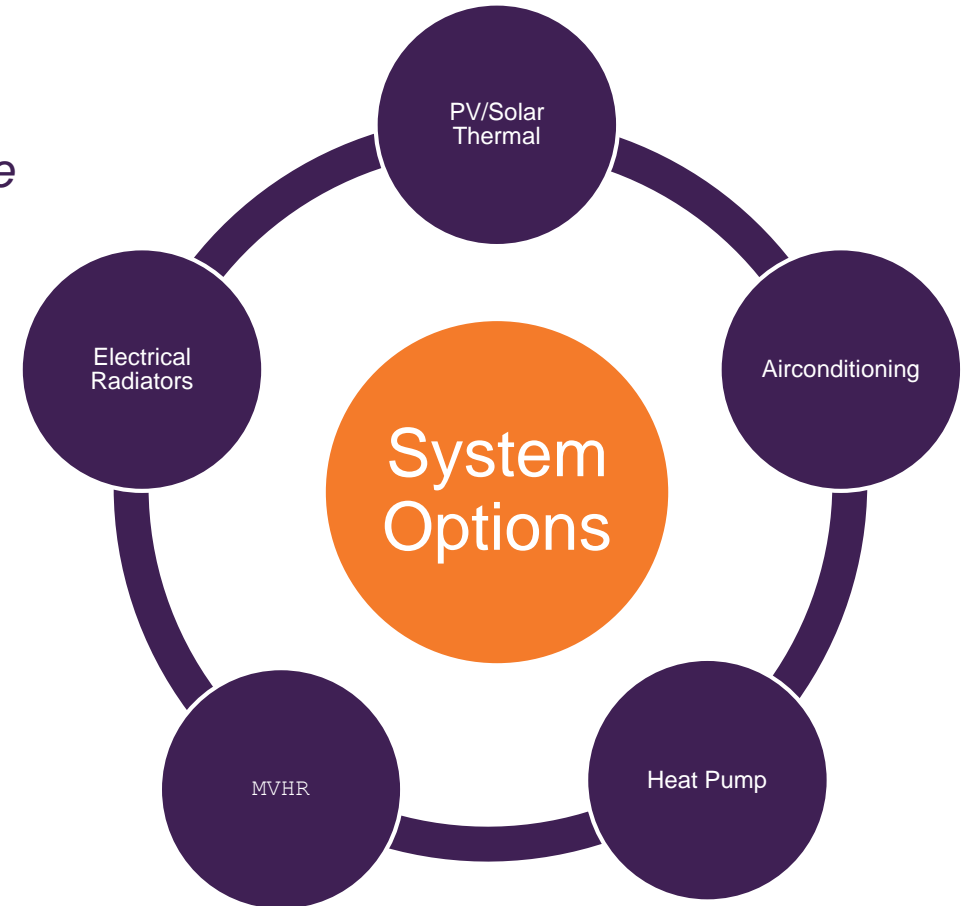


Achieving BER targets/Design of works - Detailing

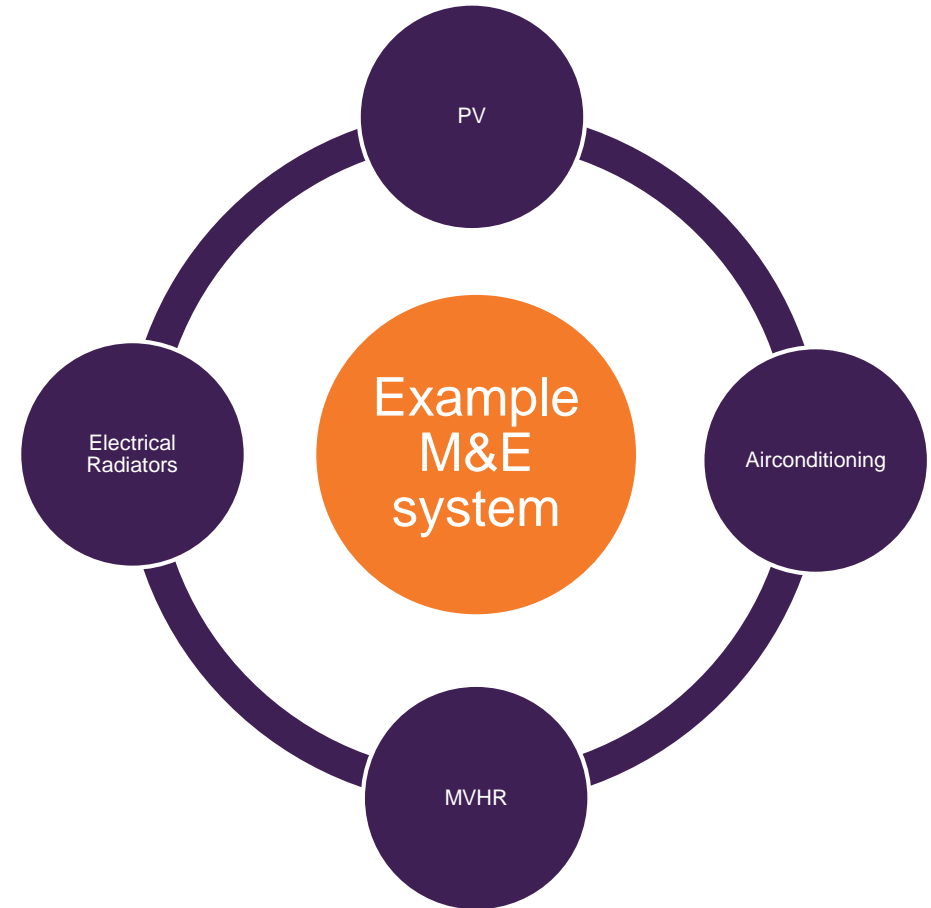
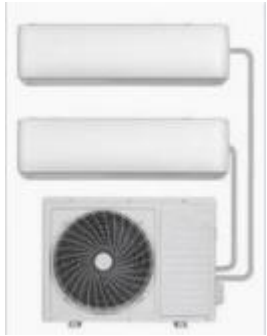


Existing windows kept in situ
Insulated timber frame with cavity constructed.
New triple glaze windows installed into the frame.
Includes all airtightness and insulation detailing.

- Multiple system options
- *Define specification from the outset*
- *Work to budget*
- *Extent of works will present an opportunity for a full upgrade*



Achieving BER targets/Design of works – M&E



Sources of Finance

- Home Loans
- *Credit Union*
- *Government Financing*
- *Grants*
- Croi Conaithe: Vacant Property Grant up to € 70k available
- SEAI Individual Grants and One Stop Shop
- Attic - Range dependent on type of home
- Wall - Range dependent on type of home
- Heating Controls
- Solar € 1,200
- PV € 2,100
- Heat Pump

