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surveyors



**RICS**

# THE REAL COSTS OF NEW APARTMENT DELIVERY 2025

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## ANALYSIS OF APARTMENT DEVELOPMENT COSTS AND VIABILITY

**DECEMBER 2025**

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Society of Chartered Surveyors Ireland  
38 Merrion Square, Dublin 2, Ireland  
Tel: + 353 (0)1 6445500  
Email: [info@scsi.ie](mailto:info@scsi.ie)  
[www.scsi.ie](http://www.scsi.ie)

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## ABOUT US

The Society of Chartered Surveyors Ireland (SCSI) is the independent professional body for Chartered Surveyors working and practising in Ireland. One of our key objectives is to provide impartial, independent and authoritative advice on key issues for consumers, businesses and policy makers as well as advancing and maintaining standards for Chartered Surveyors working in the property, construction and land sectors. All aspects of the profession, from education through to qualification and the continuing maintenance of the highest professional standards are regulated and overseen through the partnership of the SCSI and the Royal Institution of Chartered Surveyors (RICS), in the public interest.

# Contents



<b>EXECUTIVE SUMMARY</b>	<b>4</b>
<b>PART I: TWO -BED APARTMENT REPORT</b>	<b>9</b>
Introduction and background	10
Approach and methodology	11
Development costs	12
Viability and affordability	15
<b>PART II: THE CASE STUDY</b>	<b>19</b>
<b>PART III: CONCLUSIONS AND RECOMMENDATIONS</b>	<b>39</b>
<b>APPENDICES</b>	<b>42</b>
Appendix 1: Detailed category specifications	43
Appendix 2: Detailed breakdown of construction costs across apartment categories	44
Appendix 3: Detailed breakdown of soft costs across apartment categories	45
Appendix 4: Costs comparison between 2021 and 2024 – full breakdown	48

# EXECUTIVE SUMMARY

THE 2025 REAL COST OF APARTMENT DELIVERY REPORT HIGHLIGHTS THAT TARGETED GOVERNMENT INTERVENTIONS HAVE SUCCEEDED IN ADDRESSING THE FINANCIAL VIABILITY GAP FOR THE CONSTRUCTION OF NEW APARTMENTS. CONTINUOUS EFFORTS NEED TO BE MADE TO ENSURE THAT NEW APARTMENTS ARE MADE AFFORDABLE TO AVERAGE INCOME EARNERS.

This report is structured into three distinct parts to provide a robust assessment of apartment delivery:

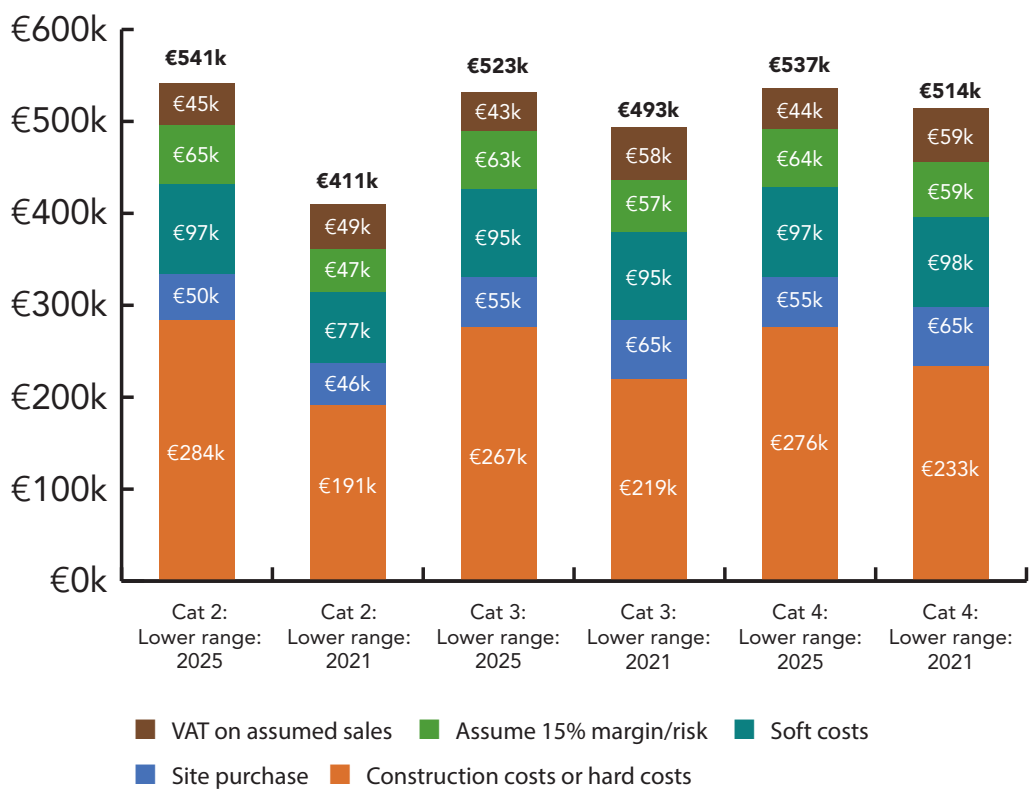
**Part I** examines the development costs, affordability, and viability of a typical new two-bedroom build to sell (BTS) apartment across the three analysed specifications (Category 2, 3, and 4). This section looks at changes between this version of the report and the 2021 SCSI The Real Cost of New Apartment Delivery report.

**Part II** presents a real-world case study of a 48-unit apartment block in south Dublin, assessing affordability and viability

across three tenures: BTS, private rental sector (PRS), and cost rental (CR).

Both Part I and Part II investigate the role of Government intervention measures (e.g., the reduction in VAT and Croí Cónaithe support), while Part II additionally models the impact of the proposed new apartment design guidelines on viability and affordability by presenting a before and after design standard scenario.

**Part III** outlines the SCSI's recommendations, structuring them around main policy recommendations (affordability, viability,



Total average delivery cost for a new two-bedroom apartment (build to sell) including VAT. Lower cost ranges of categories used.

Numbers in tables and figures throughout this report have been rounded for clarity, and consequently do not always add up to the totals shown.



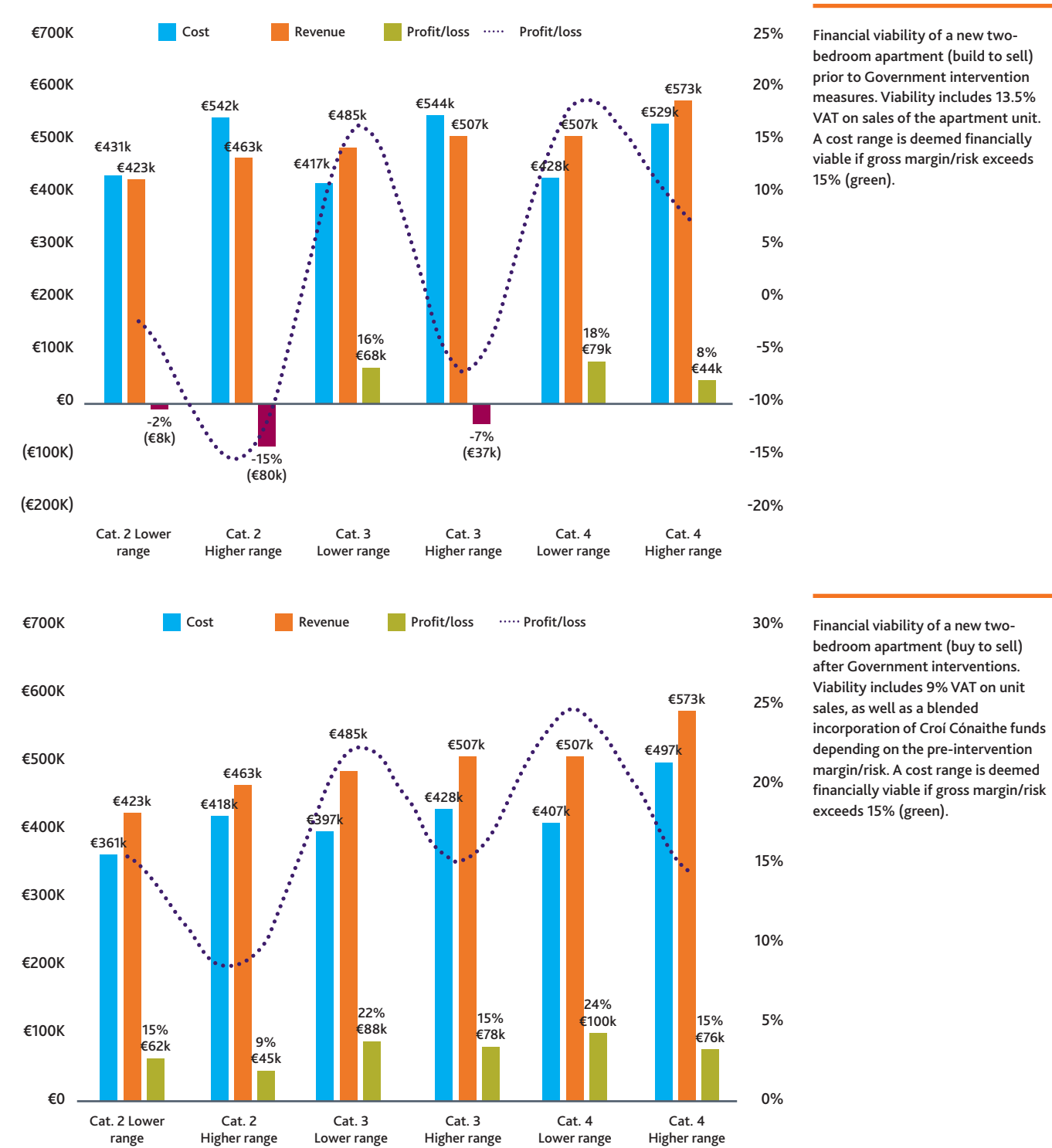
and supply), suggested improvements to existing policies, areas for investigation, and education opportunities.

Summary of findings of Part I: new two-bedroom apartment (buy to sell)

Cost and viability analysis

The analysis demonstrated that new apartment delivery costs

have risen significantly since 2021, driven by an increase in construction costs (hard costs) and corresponding soft costs. Total development costs, which include a 15% margin/risk and appropriate VAT on sales (9% or 13.5%), have increased across all of the categories between the 2021 report and this current report. The lower cost range of Category 2 saw the largest change between 2021 and 2025, rising 32% (€411,000 to



€541,000). The contribution of hard costs to the overall development costs have also increased, averaging 50% of the overall cost (compared to 47% in the 2021 report). The determination of viability (see figures on page 5) for a new two-bedroom apartment was based on a 15% gross margin/risk financing hurdle, whereby projects below this line were deemed financially unviable, while those above this line were deemed financially viable. Without Government intervention, only the lower cost ranges of Category 3 and Category 4 were deemed financially viable (+16% and +18% gross margin/risk, respectively). The higher cost ranges for Category 3 and Category 4 (-7%, +8%) were deemed financially unviable, while all of the cost ranges for Category 2 were deemed financially unviable based on the hurdle applied [-2%, -15%].

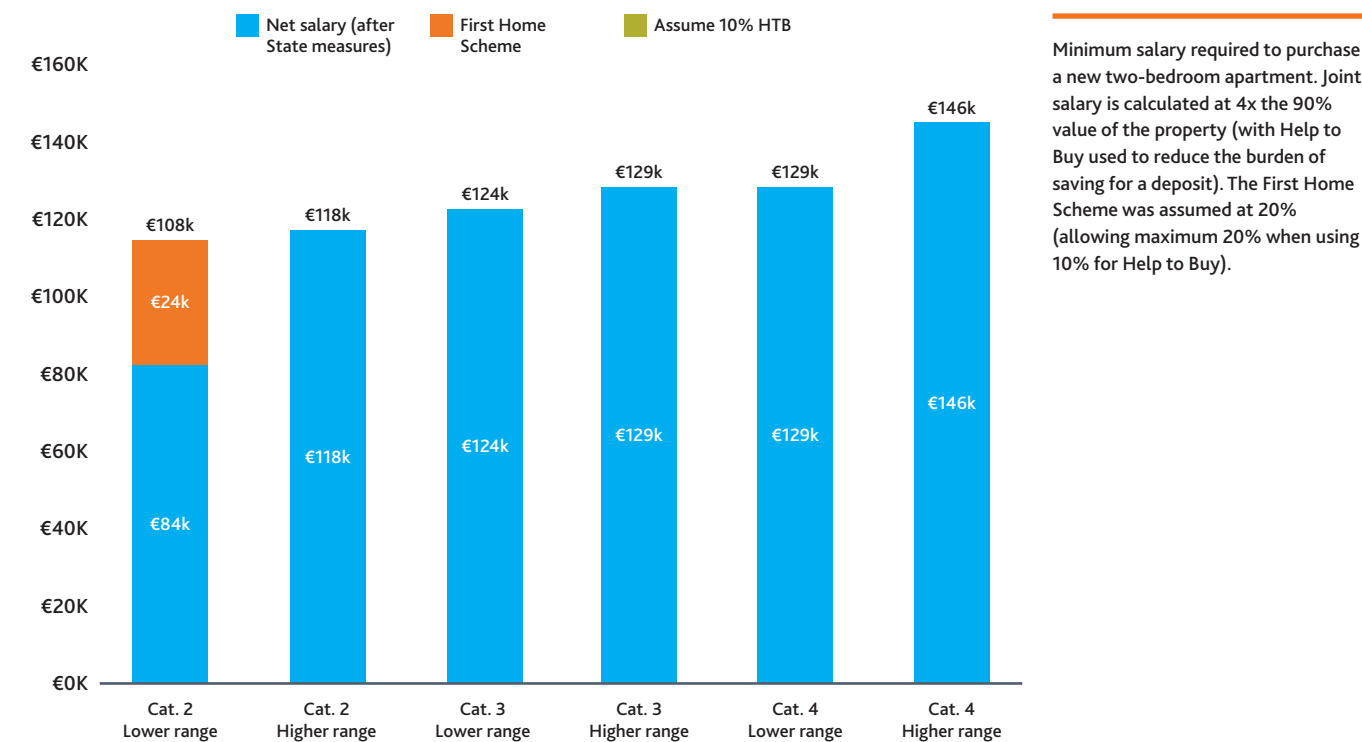
The Government introduced measures to reduce the viability gap for apartment developments. The interventions relating to a reduction in VAT (13.5% to 9% on sales), as well as the use of the Croí Cónaithe support schemes, have been used in this analysis. While Croí Cónaithe is specifically aimed at aiding developments that are unviable to build, the financial hurdle of 15% was used in this research to determine when and if Croí Cónaithe funds were applied.

Following Government intervention, the viability of the new two-bedroom apartments across the cost ranges of the categories has seen significant improvement. Almost all cost ranges included in the categories, bar the higher costs for Category 2, achieved financial viability.

Affordability (Part I)

Despite the improved financial viability, affordability challenges persist for first-time buyers. To afford a new two-bedroom apartment (with a sales unit price of between €480,000 and €650,000, dependent on category), a first-time buyer couple requires a minimum salary ranging between €108,000 and €146,000, without Government supports.

Government affordability measures, specifically the Help to Buy scheme and the First Home Scheme, are constrained by a €500,000 sales price threshold. This makes them only available to the lower cost range of the Category 2, new two-bedroom units. The Help to Buy scheme can be utilised to help first-time buyers save for a deposit and therefore does not change the salary requirements to afford a house. The First Home Scheme, which requires buyers to release equity in their property, reduced the salary requirements by €24,000 (now €84,000).



Summary of findings of Part II: the case study

Part II provides a detailed viability and affordability assessment of a 48-unit, six-storey apartment block in south Dublin across three distinct tenure types: BTS, PRS, and CR. The analysis also measured the impact of the proposed new ‘Design Standards for Apartments: Guidelines for Planning Authorities’ as a Government intervention measure. Results are presented as an average across all of the unit types used in the analysis (e.g., studio, two-bedroom, three-bedroom).

Viability by tenure

Before Government intervention, none of the three tenure types in the case study were deemed financially viable. For this aspect, only the VAT reduction and the Croí Cónaithe supports were used as interventions made by the Government.

**BTS:** BTS initially showed an average loss of €24,000 per unit (-5% gross margin/risk). After applying the VAT reduction and the average Croí Cónaithe support, the scheme shifted to a €62,000 surplus (13% gross margin/risk).

**PRS:** PRS showed the largest baseline average deficit of €43,000 per unit (-9% gross margin/risk). Because PRS has no

dedicated viability interventions beyond the VAT reduction, the scheme continued to generate a 5% loss (or -€24,000 per unit).

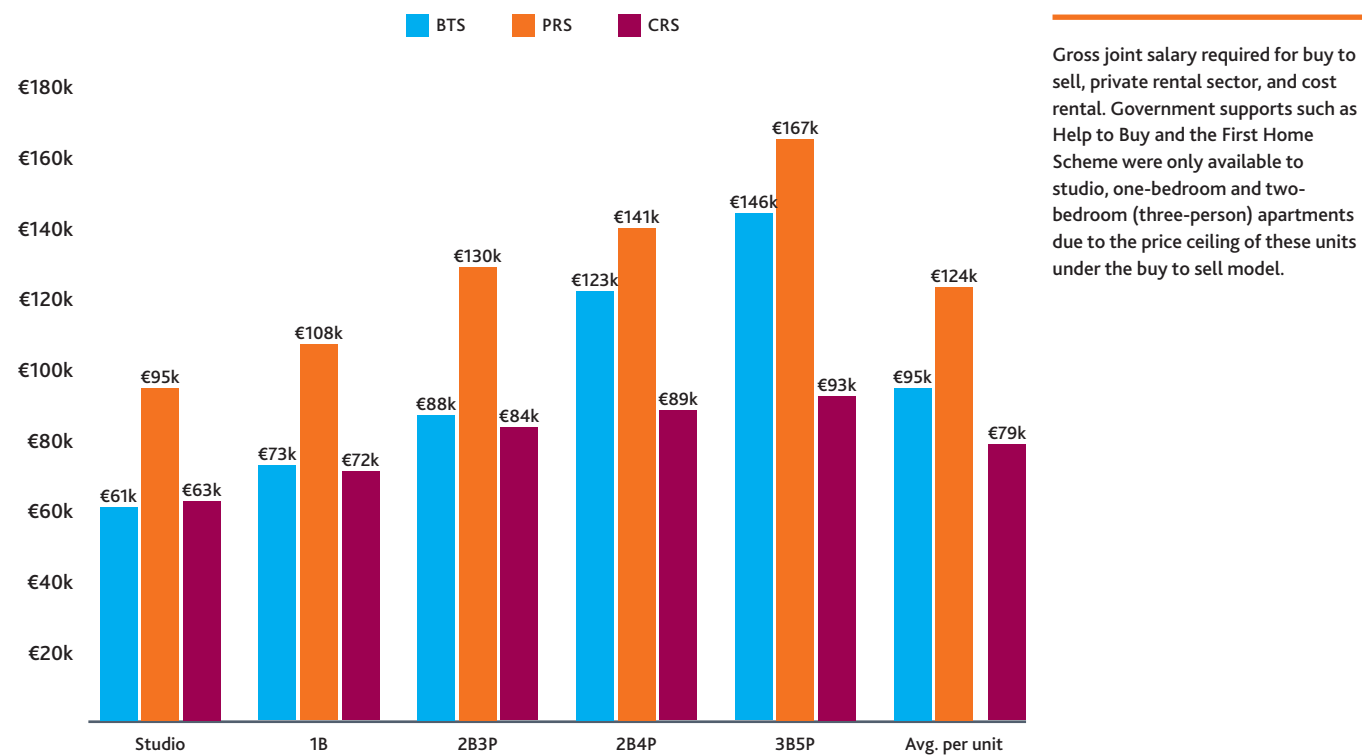
**CR:** CR initially showed a monthly deficit, the measure used strictly for cost rental on a per-month basis, of €403 per unit (-23% deficit), failing both the income eligibility rule and the minimum 25% discount relative to market rent. Following the application of the VAT reduction, Corporation Tax exemption, and the Secure Tenancy Affordable Rental (STAR) subvention, the remaining gap was closed, resulting in a break-even scenario.

Impact of design changes

The study assessed the impact of revising the unit mix according to the proposed design guidelines (increasing from 48 units to 54 units). These design changes alone resulted in an improved viability margin of 2% for BTS, 3% for PRS and 5% for CR. When both Government interventions and design changes were combined, the BTS scheme achieved a 13% gross margin/risk, while the PRS scheme still recorded a -2% loss.

Affordability comparison

The affordability analysis calculated the minimum gross salary required for a couple to afford an apartment in each tenure.

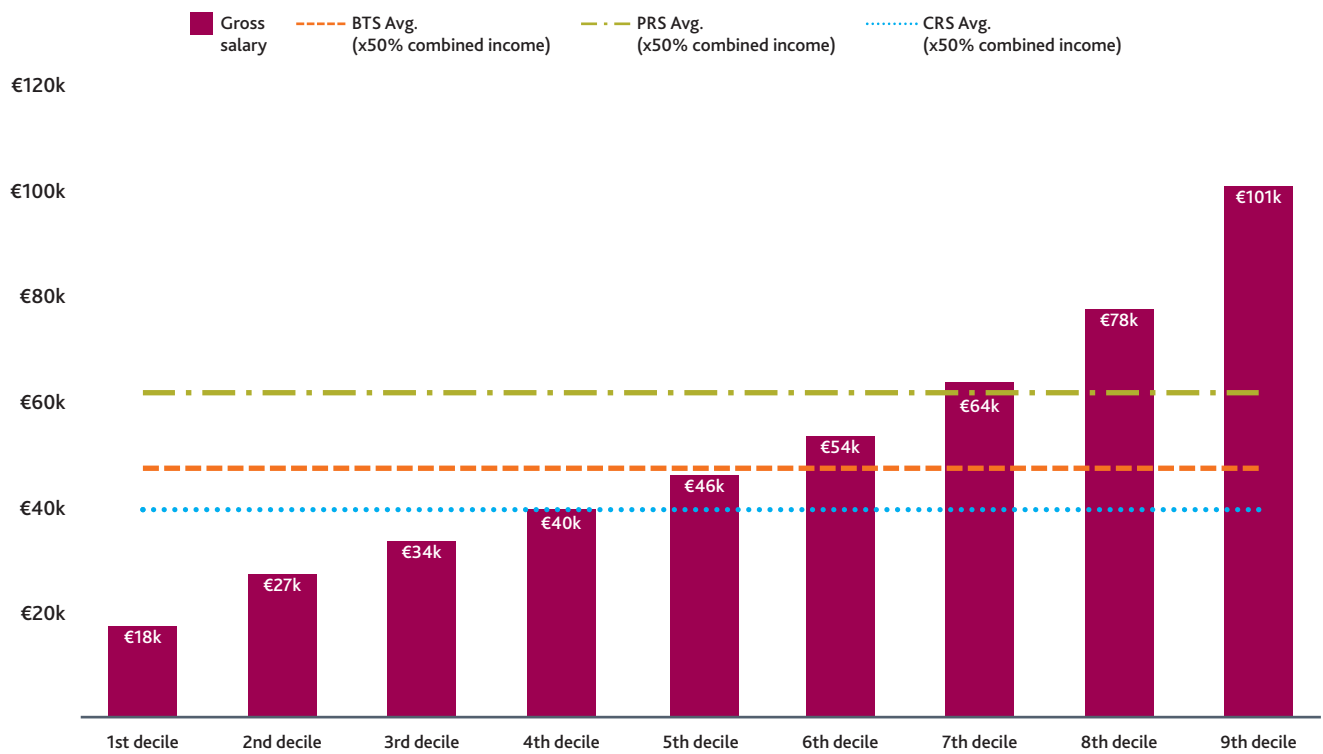


# Real Cost of New Apartment Delivery 2025

Under both the BTS and PRS scheme, the joint salary required was €108,000 (previously €120,000 without support) on average per unit, and €124,000 (previously €126,000 without support) average cost per unit, respectively. The affordability supports (First Home Scheme and Help to Buy) were limited by the €500,000 price cap, restricting the eligibility of using these supports to smaller units. Help to Buy was also interpreted to help a first-time buyer to accumulate their deposit and

therefore would not have an influence on the joint income required for the mortgage at 90% of the property value. Under the CR, the required gross salary was significantly reduced to €79,000. Overall, the required incomes for private sector apartments are concentrated within the top 20-30% of earning distributions in Ireland, reinforcing the conclusion that a structural affordability gap prevents most households from accessing new supply.

Irish annual gross income by decile (CSO, 2024) versus average income for two people.







# **PART I: TWO-BED APARTMENT REPORT**

# INTRODUCTION AND BACKGROUND

The 2025 housing market is characterised by an acute supply crisis, where the delivery of new homes is significantly outpaced by demand and population growth.<sup>1</sup>

While delivery efforts have improved, notably among Approved Housing Bodies (AHBs) in 2024 (+32%), overall new home delivery is below population growth. With new housing completion targets being missed in 2024, this also limits progress towards the “build inwards and upwards” objective.<sup>2</sup> This drop in completions was driven largely by a 24.1% reduction in apartment construction in 2024. This constrained supply continues to fuel price pressure and widens the affordability gap.

The Irish housing market is predominantly owner-occupier (76.4%), with the remaining stock split between private rental (13.3%) and social housing (10.3%).<sup>3</sup>

Persistent structural challenges continue to hinder the efficient delivery of residential units, despite decelerating price inflation<sup>4,5,6</sup> and increased investment in dwelling construction.<sup>7</sup> Although total employment in the construction sector (for buildings) reached approximately 172,000 in 2024, the highest recorded level since 2008, the sector’s labour productivity has declined, dropping from €39.9 per hour to €35.5 per hour between 2023 and 2024.<sup>8</sup>

These challenges are compounded by factors affecting investors’ confidence in areas of the market such as the private rental sector (PRS).

Changes to the rental landscape include reforms to rental

increases (capping increases based on the rate of inflation or 2%, whichever is lower), and stronger legislation protecting tenure rules (including tenants having the right to a rolling six-year tenancy after the first six months, and no-fault evictions).

An SCSi survey indicated that 71% of SCSi residential agents expect these reforms to drive smaller landlords out of the market.<sup>9</sup>

This is reflected in market research, with Dublin recording its lowest new tenancy growth since 2022 in Q1 2025, even as the standardised rent continues to increase by 5.5% in Q1 2025.<sup>10</sup> The Central Bank of Ireland<sup>11</sup> has identified four key structural barriers that are constraining apartment and housing delivery:

1. High construction costs.
2. Increased uncertainty in rental market policy.
3. The role of institutional investment.
4. Inefficiencies with the planning and judicial systems.

While investors typically target a 10-15% margin/risk, and may seek a 15-30% return in Europe, previous research conducted by the SCSi has shown highly variable margin/risk ranges for new apartment construction.<sup>12</sup>

This report aims to provide robust, updated analysis on the actual costs, viability and affordability outcomes associated with new apartment development in 2025.

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<sup>1</sup> Housing Europe. State of Housing in Europe 2025 – Trends in a nutshell. Available from: <https://www.housingeurope.eu/state-of-housing-in-europe-2025-trends-in-a-nutshell/>.

<sup>2</sup> Government of Ireland. National Planning Framework 2040.

<sup>3</sup> Housing Europe. The State of Housing Europe 2025 – Ireland.

<sup>4</sup> Central Statistics Office. Wholesale Price Index.

<sup>5</sup> SCSi Tender Price Index 1H2025.

<sup>6</sup> Turner and Townsend. Global Construction Cost Performance.

<sup>7</sup> Savills. Investment Market Outlook 2025.

<sup>8</sup> Central Statistics Office. Construction: A National Accounts Perspective 2024.

<sup>9</sup> SCSi. Residential Mid-Market Review, 2025.

<sup>10</sup> Residential Tenancies Board. Directors Quarterly Update Q3 2025.

<sup>11</sup> The Central Bank of Ireland. Housing Briefing – April 2025.

<sup>12</sup> SCSi. Real Cost of New Apartment Delivery, 2021.

# APPROACH AND METHODOLOGY

The SCSi convened an expert group comprised of Chartered Quantity, Valuation and Residential Agency Surveyors. This group conducted a detailed analysis using confidential cost, rental, and sales data collected throughout 2025.

The dataset used for the cost analysis comprised originally of 12,077 apartments, an increase of 28% compared to the SCSi's 2021 report, spanning projects across Dublin, Cork, Limerick, and Galway. Following statistical analysis of the dataset, 1,314 apartment units were removed as they were determined as outliers.

Approximately 1,643 units located outside of Dublin were included as they did not diverge significantly from the general cost trends across the Dublin sites. All project cost data was normalised to a common cost baseline of Q2 2025 to ensure precise comparability across all projects and locations.

### Scope and definitions

This report focuses exclusively on medium-rise apartments in suburban and urban locations in Dublin (Category 2, Category 3, and Category 4) (Table 1).

Low-rise suburban apartments (Category 1 in the 2021 report) were excluded from this analysis due to a lack of available data. Full specifications of the Categories can be found in Appendix 1.

The unit mix in each category is represented in Figure 1.

All findings discussing affordability and viability for the categories are based on the typical new two-bedroom apartment of 78.5sqm

net internal floor area (91sqm gross internal floor area), providing both lower and higher range cost scenarios. The analysis divided costs into two primary components. 'Hard costs' represent the physical construction elements of the building (e.g., structure, services and finishes). 'Soft costs' represent all non-structural expenditure, including statutory levies, professional fees, selling costs, land prices, development finance, and contingency.

For a full breakdown of the assumptions underscoring finance, contingency, and professional fees, please view Appendix 3.

### Viability and affordability

Financial viability was assessed by determining if the net projected sales value exceeded the total delivery costs, allowing for a minimum required profit/risk margin (hurdle) of 15%. The analysis compares viability both before and after the implementation of Government interventions (VAT reduction and Croí Cónaithe supports). Affordability was assessed using the Central Bank of Ireland's mortgage lending rules. This calculated the minimum required household income necessary to secure a mortgage for the two-bedroom apartment at the projected sales price, based on a typical 10% deposit and a loan-to-income ratio limit of 4.

Table 1: Apartment categories in this report.

Category	Height range	Assumed environment
Category 2	3-6 storeys	Medium-rise suburban
Category 3	5-8 storeys	Urban medium rise
Category 4	9-15 storeys	Urban medium rise

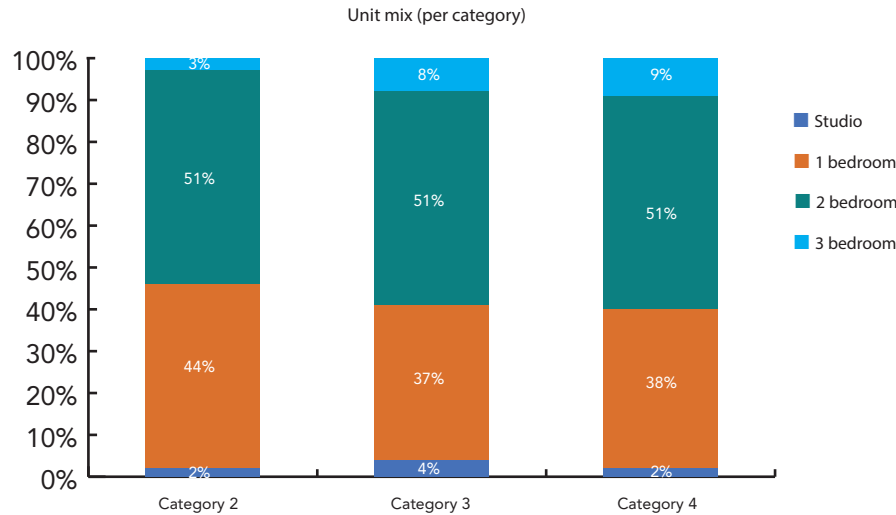


FIGURE 1: Unit mix per category.

# DEVELOPMENT COSTS

The following section contains a detailed analysis of the total delivery costs for a typical new two-bedroom apartment. This is specifically discussed for the three categories.

### Composition of hard and soft costs

The total delivery costs vary significantly across the categories

(Figure 2). Hard costs typically account for between €267k and €374k (gross). Category 2 was the maximum higher range cost recorded, while Category 3 had the minimum for the lower range of costs. Costs associated with structure (e.g., concrete frames), mechanical and engineering services (e.g., heat pumps and sprinkler systems), and car parking were some of the dominant

FIGURE 2: Total costs for a new two-bedroom apartment. BAR – Total development costs (excl. VAT) per unit. Point – total construction cost (excl. VAT) including parking and site works per m<sup>2</sup>.

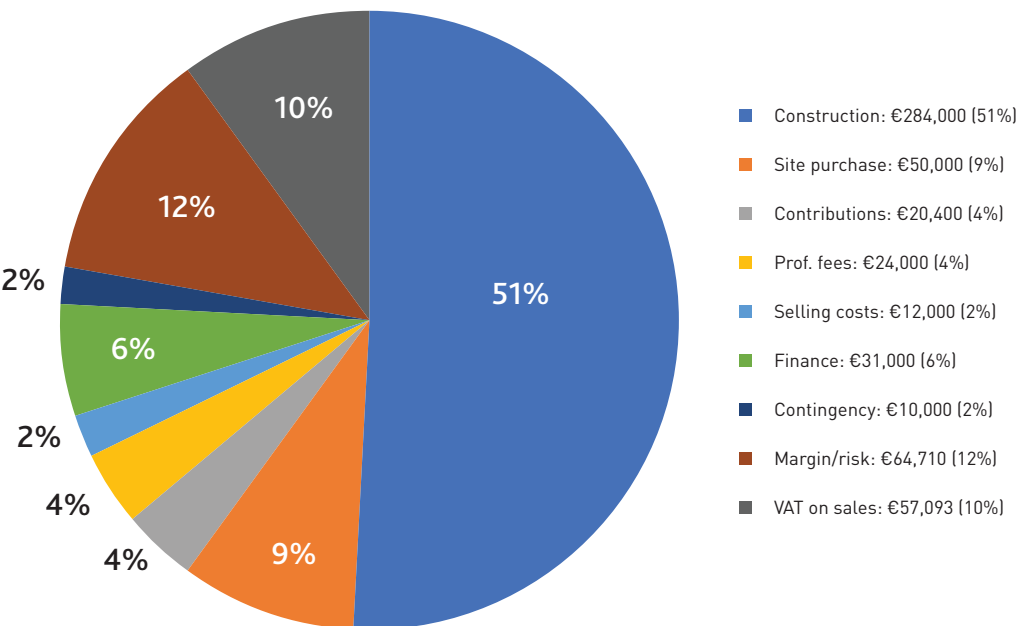
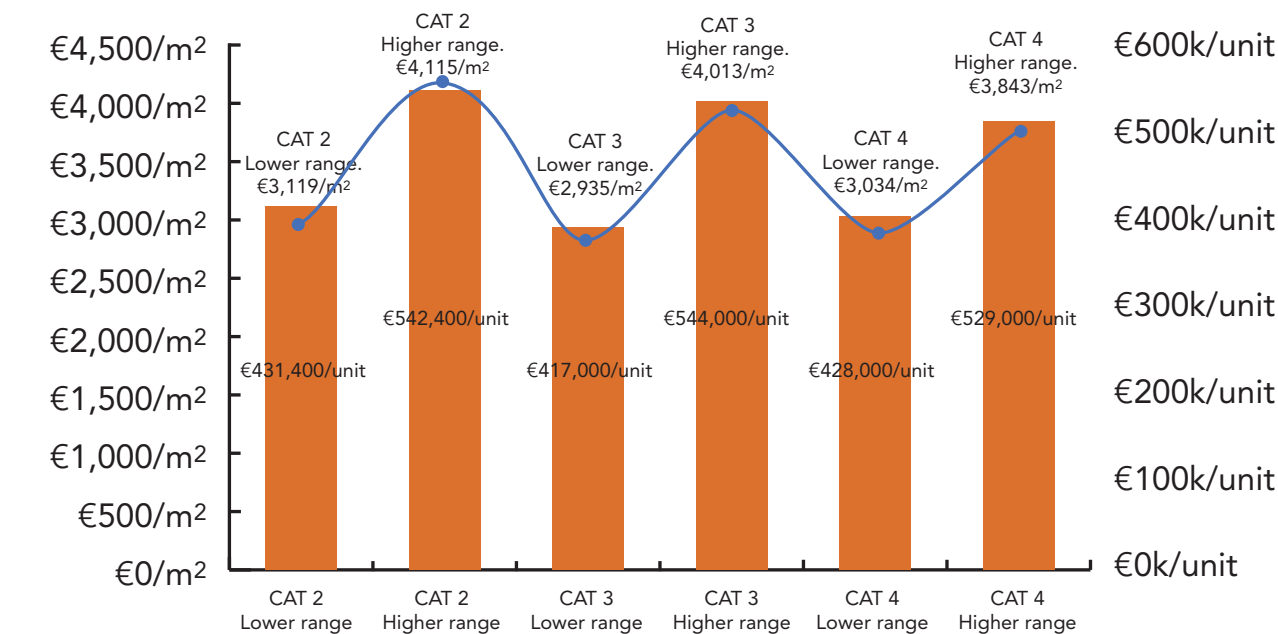


FIGURE 3: Percentage breakdown of the total development costs for a new two-bedroom apartment (Category 2 – lower range, 5-8 st.), incl. VAT on sales.



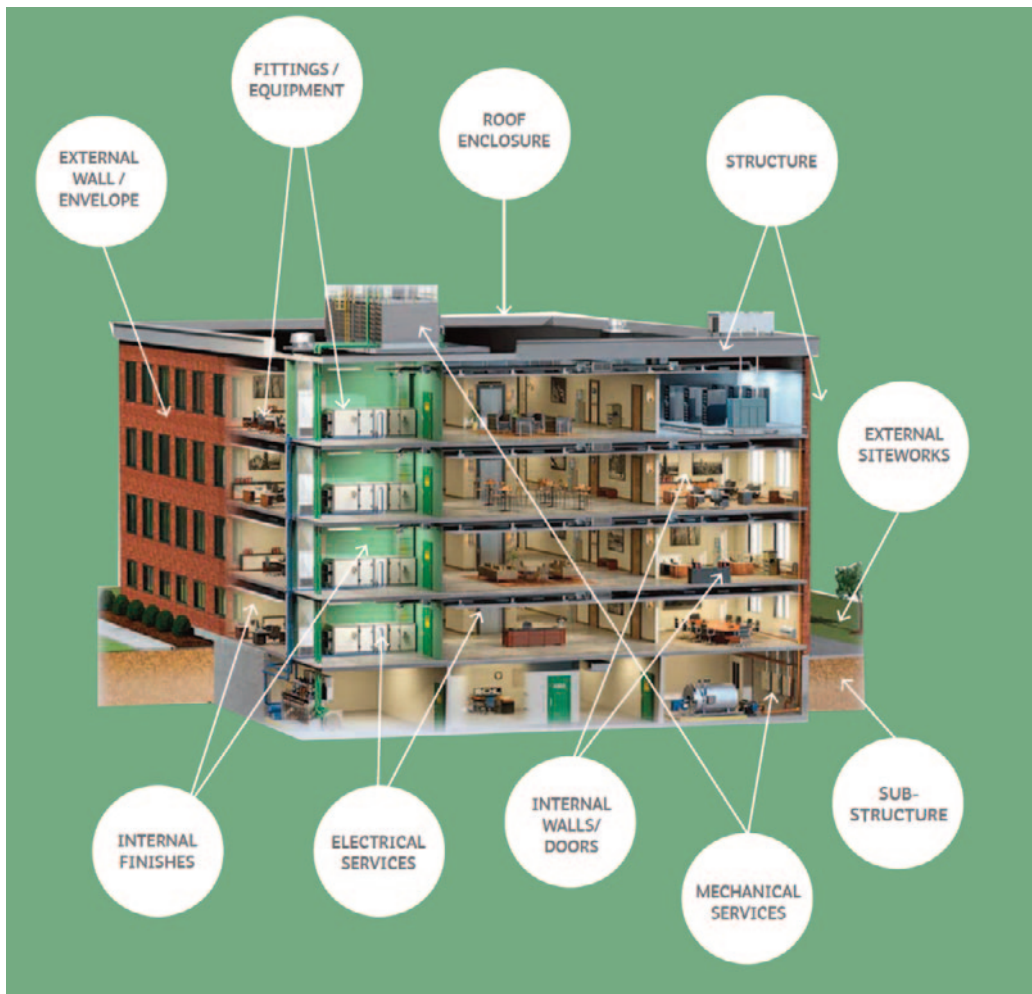


FIGURE 4: Categorisation of cost headings.

contributors to hard costs. Soft costs, with many calculated based on a percentage of hard costs, ranged between €147k and €179k including site costs. Category 3 and Category 4 both showed the highest upper range of soft costs, while Category 2 showed the lowest lower range. Costs associated with land acquisition and development finance were generally the highest contributors to soft costs across the categories. A full breakdown of descriptions and cost values across the categories can be found in **Appendices 2 and 3**. **Figure 3** shows the percentage breakdown of costs for a two-bedroom apartment (Category 2 – Lower cost range), while **Figure 4** shows the breakdown of elements costed and incorporated into the hard costs.

### Analysis of cost movements (2021 to 2025)

This analysis highlights mixed cost movements across the key components when compared to the 2021 report, with cost inflation being heavily localised in specific element groups.

#### Hard costs

In the four-year period since the previous report, hard costs have

risen across all three categories, albeit at varying rates. Category 2 (lower range) has increased by 49%, while Categories 3 (lower range) and 4 (lower range) have risen by 22% and 19%, respectively. Although a broadly comparable rate of change might ordinarily be anticipated across categories, the divergence observed here highlights the challenges inherent in comparing and benchmarking projects, and in understanding why certain schemes appear higher or lower in cost than others. Reference to the SCSi Tender Price Index, albeit a commercial index, for the same period indicates an approximate inflationary impact of 26% to the mid-point of 2025. The pronounced increase in Category 2 may be attributable to several factors. Notably, the nature and scale of suburban projects have evolved. In the 2021 report, the average project size was 193 units, whereas the 2025 dataset is 335 units. This upward shift in scale means projects are becoming larger and, arguably, more efficient in their design and delivery. It is evident from the more recent projects and latest tender information in the market that the construction cost of apartment delivery is easing and/or falling. While this is recent data, it may represent the early signs of a level of maturity in the sector with respect to design and construction

# Real Cost of New Apartment Delivery 2025

efficiency in large-scale apartment developments. This evolution in the sector comprises all aspects of high-density residential development, including design and design efficiency, and buildability with respect to modern methods of construction (MMC) and off-site production for specific packages of works, complemented by a programme approach and the main contractor’s know-how and confidence in pricing. This early indicator is supported by demonstrable evidence provided by developers contributing to the dataset and research.

### Site purchase

The limited availability of reliable data on site purchase values remains a persistent challenge. Comparison with the SCSI’s

previous report indicates a mixed pattern of movement across categories. Category 2 (lower range) has risen by 9% (approximately €4,000), whereas Categories 3 and 4 (lower ranges) have both reduced by 15% (approximately €10,000). The upward shift in Category 2 is particularly notable, as it may reflect increasing difficulty in securing development land within suburban locations.

### Other soft costs

Category 2 (lower range) shows an increase of soft costs by 26%, primarily driven by the increase in the hard costs previously noted. Categories 3 and 4 (lower ranges) show minimal change, recording no change and a 1% decrease, respectively (Figure 5).

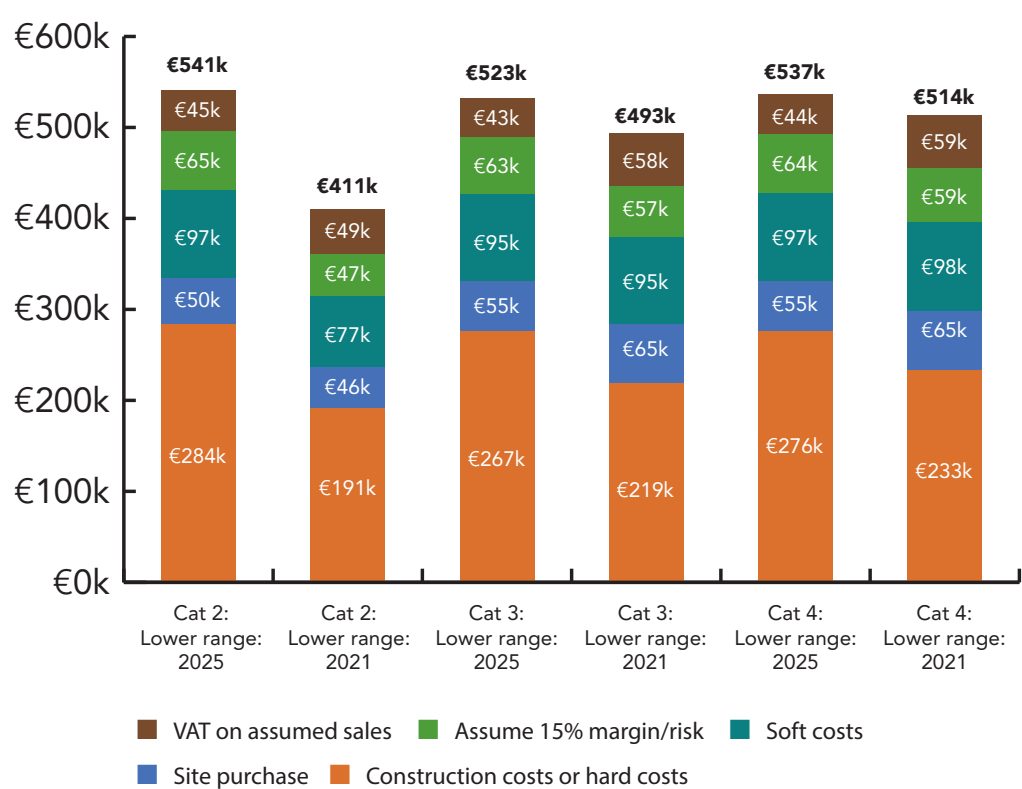


FIGURE 5: Changes in total development costs (incl. VAT and assumed margin) between 2021 and 2025 for a new two-bedroom apartment across categories (lower cost range).



# VIABILITY AND AFFORDABILITY

### Viability assessment

Financial viability for a developer/investor is typically achieved when the project’s net sales exceed the total delivery costs, with a minimum required hurdle rate of 15% gross margin/risk applied. The viability assessment will examine the gross margin/risk of a category both with and without Government intervention (e.g., VAT and Croí Cónaithe) to demonstrate the effectiveness of current policy action for a new two-bedroom apartment in category-specific locations.

### Initial viability (before Government intervention)

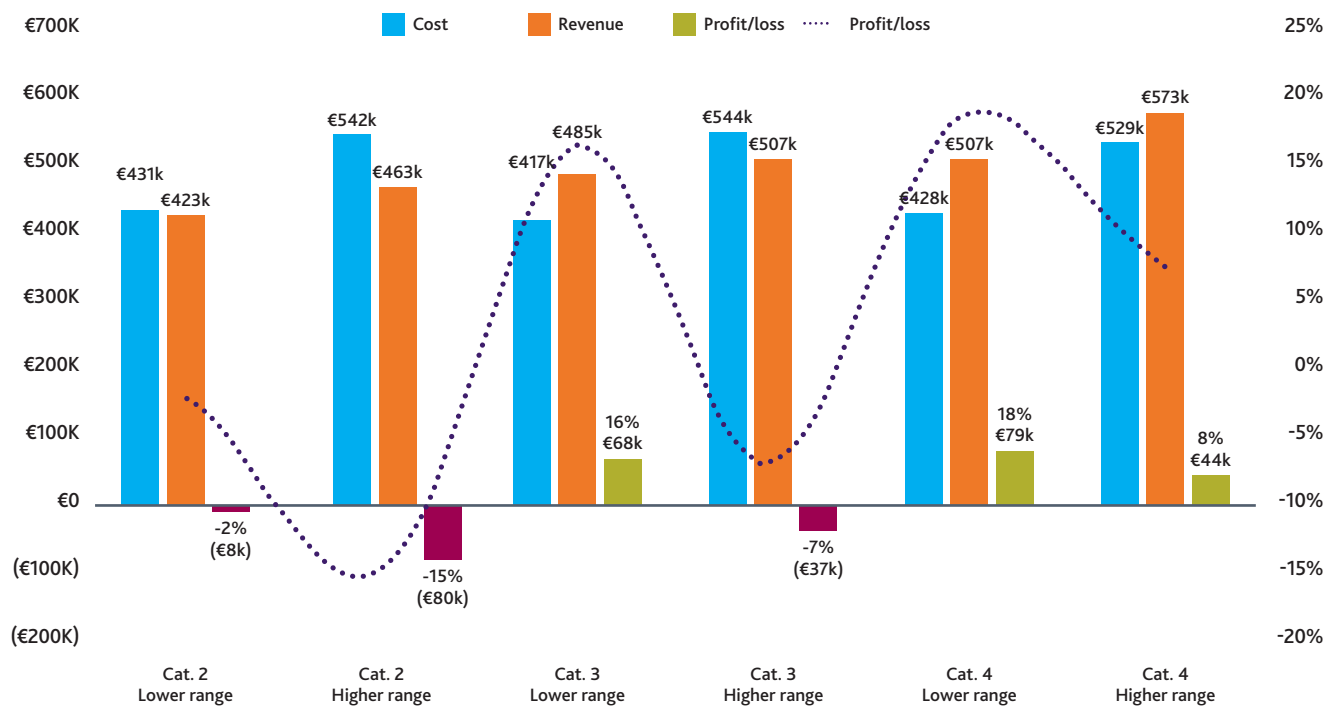
The analysis shows that only the lower cost ranges of Category 3 and Category 4 demonstrated financial viability in Q2 2025. This non-viability highlights the significant disparity between market

sales and the actual cost of delivery for new schemes, particularly for the Category 2 (suburban) projects, which have a crucial role in delivering supply to the market.

### Post viability (after Government intervention)

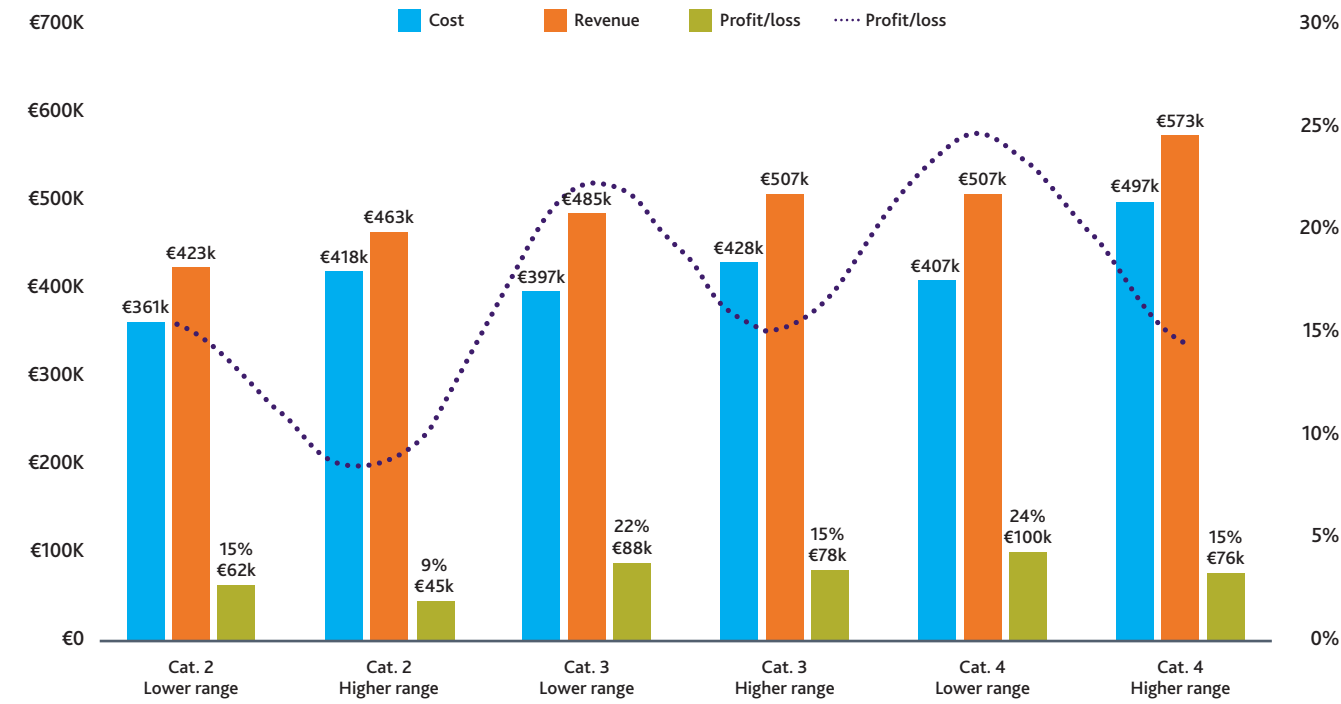
The introduction of Government interventions, mainly the reduction of VAT from 13.5% to 9% on unit sales and the Croí Cónaithe scheme, has improved financial viability across the categories (Figures 6a and 6b). Following the application of these supports, the financial viability of these new developments shifts. All categories, with the exception of the higher-cost range of Category 2 projects, have become viable. This demonstrates the positive influence of government intervention on bridging the viability gap across the categories examined in this analysis.

FIGURE 6a: Financial viability of a new two-bedroom apartment (build to sell) prior to Government intervention measures. Viability includes 13.5% VAT on sales of the apartment unit. A cost range is deemed financially viable if gross margin/risk exceeds 15% (green).



# Real Cost of New Apartment Delivery 2025

FIGURE 6b: Financial viability of a new two-bedroom apartment (buy to sell) after Government interventions. Viability includes 9% VAT on unit sales, as well as a blended incorporation of Croi Cónaithe funds depending on the pre-intervention margin. A cost range is deemed financially viable if gross margin/risk exceeds 15% (green).



Residential Apartment Category	Category 2 – Suburban medium rise	Category 3 – Urban medium rise 5-8 storeys	Category 4 – Urban medium rise 9-15 storeys
			
<b>Before Government intervention measures</b>			
Construction cost range	+€284,000 to +€374,000	+€267,000 to +€365,000	+€276,000 to +€350,000
Site costs	+€50,000 to +€55,000	+€55,000 to +€65,000	+€55,000 to +€65,000
Total remaining soft costs	+€97,000 to +€113,000	+€95,000 to +€114,000	+€97,000 to +€114,000
Total development costs (excl. VAT)	+€431,000 to +€542,000	+€417,000 to +€544,000	+€428,000 to +€529,000
Sales price for a new two bedroom apartment	+€480,000 to +€525,000	+€550,000 to +€575,000	+€575,000 to +€650,000
<b>Viability before subvention</b>			
Deduct VAT (13.5%)	+€57,000 to +€62,000	+€65,000 to +€68,000	+€68,000 to +€77,000
Developer margin/risk	-€8,000 to -€80,000 [-2% to -15%]	+€68,000 to -€37,000 [+16% to -7%]	+€79,000 to +€44,000 +18% to +8%
<b>Viability After Government Subvention</b>			
Total Subventions (VAT Reduction & Croi Cónaíthe)	+€17,000 to +€19,000	+€20,000 to +€21,000	+€21,000 to +€24,000
Revised Costs	+€414,000 to +€523,000	+€397,000 to +€523,000	+€407,000 to +€505,000
Revised Developer Margin/Risk	+€62,000 to +€45,000 [+15% to +9%]	+€88,000 to +€78,000 [+22% to +15%]	+€100,000 to +€76,000 [+24% to +15%]
<b>Affordability Prior to Subvention</b>			
Joint Salary Required to Purchase Home (Assumes couple has to provide full 10% of deposit)	+€108,000 to +€118,000	+€124,000 to +€129,000	+€129,000 to +€146,000
<b>After Government intervention measures</b>			
Assume Help to Buy*	+€8,000 (lower range) (not available for apartments on the higher range of cost values)	Not available for apartments at this price	Not available for apartments at this price
First Home Scheme (Assumes 20% use)	+€24,000 (lower range) (not available for apartments on the higher range of cost values)	Not available for apartments at this price	Not available for apartments at this price
Revised Joint Salary Required (Assumes couple uses 10% of Help to Buy to Fund Deposit)	+€84,000 to +€118,000	+€124,000 to +€129,000	+€129,000 to +€146,000

\* Help to Buy is used as a support towards providing the initial 10% value for the house. It therefore will not have an effect on the joint salary requirement of the couple.

\* Numbers in tables and figures throughout this report have been rounded for clarity, and consequently do not always add up to the totals shown.

Affordability assessment

Affordability is assessed from the perspective of a first time buyer (joint income) of a new 2-bedroom apartment, using the Central Bank of Ireland mortgage lending rules, which restrict mortgages to a loan-to-income ratio of 4.

Required income gap

Based on the average projected sales prices of the apartments used in this research, the minimum required household income necessary to secure a mortgage ranges between €108k and €146k. This required salary presents a major affordability gap when compared against CSO data identifying the median income range at c.€46,000.

The affordability gap and Government support limits

A crucial factor impacting first-time buyers is that Government supports designed to promote affordability are primarily structured around apartment prices, not the income of the purchaser. The first-time buyer Help to Buy Scheme and First Home Scheme are unavailable for apartments sold above the €500,000 sales price threshold. The First Home Scheme is also available to people who are not first-time buyers, such as ‘fresh start’ applicants. Since the majority of new two-bedroom apartments modelled in this study exceed this price threshold, the high cost of delivery directly prevents the typical buyer from accessing key Government support mechanisms, thus widening the affordability gap. In the case of the categories, only the lower range of unit sales prices associated with Category 2 were applicable for these supports, slightly improving the required salary for a couple to €84,000 (from €108,000), providing the full equity in the property is used under the First Home Scheme.

Cost containment to achieve affordability

Site purchase cost

The valuation and price paid for development land varies considerably and is very much dependent on a number of factors, such as location, quality of land (i.e., topography, contamination on site), location of services, and how much advanced adjacent infrastructure is in place. According to our most recent data from our commercial property survey, average development land inflation is relatively static in

Dublin. Many investors and developers would conduct a residual valuation to examine the true value of development land. This is achieved by computing all the various input costs within a development appraisal, with the residual figure remaining from the net sales value to produce a site value. We have included an average range for each category, based on the expert views received from SCSl Chartered Residential Agency Surveyors, based on specific locations. These locations are as per the 2021 report. The figures provided by the values have considered the requirements of Part V of the Planning and Development Act. This cost data reflects where apartments are being planned/built. The choice of site locations has been updated to correlate to the construction costs. As stated in previous reports, the lack of statistical data relating to land values and prices paid for development land is a significant issue for many involved in making key policy decisions relating to housing and development in general. The CSO has recently launched new section on residentially zoned land prices, which is a positive move and will hopefully grow in coverage and data. This could be as successful as the Property Price Register, operated by the Property Services Regulatory Authority, by increasing transparency in this area and ultimately assisting policymakers.

Site prices

Overall, site prices broken down by each apartment range from €50,000 (Category 2, lower range) to €65,000 (Categories 3 and 4, higher range). Supply and demand dynamics can have a significant bearing on the value attached to a particular plot of land, and, in some cases, the value of a plot of land can be significant compared with another within the same area but on a different street.

Table 2 shows the relationship between the site purchase cost and the sales price in each of the three categories. As shown, the site purchase cost ranges from 10% to 11% of the sales price. The viability issue is further exacerbated when locations with lower sales values are considered. While the site cost might reduce somewhat in line with the sales value, the development costs do not. This is because the development costs might be influenced by, but are not a function of, design. For example, the foundations, structure, services, internal walls and finishes all have to be constructed regardless of location. The only items that might be

Table 2: Relationship between site purchase cost and sales price in each of the three categories.

Description	Category 2 (lower range)	Category 3 (lower range)	Category 4 (lower range)
Site price	50,000	55,000	55,000
Total sales price	480,000	550,000	575,000
Contribution	10.4%	10.0%	9.6%





## **PART II: CASE STUDY**

# THE CASE STUDY

### Introduction

Building on the earlier analysis of a standard two-bedroom apartment, this part of the report examines a live case study of an apartment block currently under procurement in south Dublin. The block comprises a mix of unit types – the base design of the report includes one-bed, two-bed, and three-bed apartments – allowing for a broader assessment of market dynamics and development viability.

The case study evaluates both viability and affordability across three tenure types: build to sell (BTS), private rental sector (PRS), and cost rental (CR). It also considers the impact of current Government initiatives aimed at improving apartment viability and affordability, including the proposed new apartment design guidelines.

### Approach and methodology

A 48-unit apartment block from a larger development in south Co. Dublin was selected for detailed analysis. The block comprises six storeys, with an average of eight units per floor arranged around a single stair core. The design is efficient and represents a high-quality, standard apartment typology, incorporating a brick façade, aluclad windows, and other durable materials. These costs were analysed and validated by the

quantity surveyor members of the working group. Revenue assumptions – including sales values, rental levels, and investment yields – were provided by the valuation members of the group, based on the scheme’s location and specification. An initial development budget was prepared for each of the three tenure types to assess baseline viability. Subsequent analysis examined the impact of Government apartment viability measures, including VAT adjustments, Croí Cónaithe, Corporation Tax treatment for CR, and the Secure Tenancy Affordable Rental (STAR) investment scheme.

The final stage of the case study assessed affordability across the three tenures, both before and after the application of Government affordability supports. This full analysis was subsequently replicated for a scheme designed in accordance with the proposed new apartment design guidelines, to assess their impact on costs, revenue, and overall viability. The last section of the case study explores the affordability of each tenure and the impact of the Government’s affordability intervention measures.

### Viability

**Table 5** shows the high-level development budget and viability for the three tenures.

**Table 5: High-level development budget and viability for the three tenures in the case study.**

	BTS	PRS	Cost rental
Site purchase	€52k	€52k	€30k
Construction	€307k	€307k	€307k
Development contributions and utility connections	€24k	€26k	€27k
Professional fees	€25k	€25k	€25k
Sales/letting costs	€13k	€13k	€10k
Finance	€38k	€38k	€11k
Contingency	€10k	€10k	€10k
Margin/risk	Inc. below	Incl. below	€0k
Sub-total (excl. VAT)	€468k	€471k	€420k



## Site purchase

The site purchase costs for BTS and PRS are based on the average figures provided from submissions from each of the valuers in the working group, made directly to the SCSI. The average cost included for this is €52,000.

The site purchase cost for CR is based on discussions with public sector bodies. The site purchase cost varies greatly across different State organisations depending on whether these sites are purchased on the open market, are already within the ownership of the public body, or are part of a State land transfer.

## Hard costs

The hard costs for the scheme were provided by the client on the project. The project is at pre-tender stage, and the costs are based on a detailed measure-to-cost plan. The costs roughly equate to the mid-range of Category 3 from Part I of this report. There is a 36% car parking ratio included in the scheme.

## Development contributions and utility connections

The costs included in this section are the same as Category 2 from Part I of this report, which include planning contributions, Uisce Éireann connection charges, planning, fire, Disability Access Certificate (DAC) applications, and latent defects insurance policies. Commercial-type insurance policies have been included for the PRS and CR tenures. Depending on the applicant and planning type, in the majority of cases, the planning levies are waived.

## Professional fees

Professional fees have been included on the same basis as the main report, i.e., 8% of the construction costs.

## Sales/letting costs

Sales, letting and marketing costs have been included at 2.5% of the capitalised/sales value for the BTS and PRS. An allowance of €10,000 per unit has been included for CR.

## Finance

The following assumptions are included in the finance calculation for the BTS and PRS:

- overall holding period of the land from purchase to completion: 2.5 years;
- 12-month construction programme for the 48-unit apartment block;
- 75% loan to cost;
- overall senior debt rate, including charges: 7%;

- equity rate: 15%; and,
- due diligence and monitoring fees: 0.5%.

The CR assumptions remain consistent in terms of the programme; however, it assumes the scheme is fully funded by the Housing Finance Agency (HFA) at a rate of 3.75%. Different public bodies and agencies are funded through a variety of mechanisms. For example, Approved Housing Bodies (AHBs) are funded via a combination of the Cost Rental Equity Loan (CREL) and HFA financing. The Land Development Agency (LDA) is currently funded directly by the Ireland Strategic Investment Fund (ISIF), while local authorities use a mix of balance sheet funding and HFA loans. Private sector developers typically rely on private funding or, in forward-funded arrangements, the public body's funding stream.

## Contingency

A 3% contingency is included on construction costs, professional fees and disposal costs.

## Development costs

The development costs excluding VAT and margin/risk range from €420k-€471k based on the inputs noted above.

## Revenue

The revenue figures for each tenure were calculated as follows:

### (a) Build to sell

Similar to the site costs, each of the valuers independently submitted sales prices for each unit type based on the details provided, including scheme drawings, computer-generated images (CGIs), location and specification. These inputs were then collated by the SCSI and meetings held to discuss assumptions and agree the average of the group submissions. These were submitted and agreed independent of the costs and development appraisal. The following sales prices were agreed and included in the appraisal:

- studio €350,000;
- one-bed €417,500;
- two-bed (three-person) €500,000;
- two-bed (four-person) €546,000; and,
- three-bed (four-person) €648,000.

### (b) Private rented sector

Again, each of the valuers independently submitted rental levels for each unit type based on the details provided, including

## Real Cost of New Apartment Delivery 2025

scheme drawings, CGIs, location and specification. These inputs were then collated by the SCSl and meetings held to discuss assumptions and agree the average of the group submissions. These were submitted and agreed independent of the costs and development appraisal. The following rental levels were agreed and included in the appraisal:

■ studio	€1,975/mth;
■ one-bed	€2,225/mth;
■ two-bed (three-person)	€2,675/mth;
■ two-bed (four-person)	€2,900/mth; and,
■ three-bed (four-person)	€3,413/mth.

The following further assumptions were used to calculate the capitalised rent:

■ operating costs:	20%;
■ investment yield:	5.04%; and,
■ purchaser's costs:	4.46%.

### (c) Cost rental

The following inputs were used to calculate the total cost rent:

■ term	50 years;
■ interest rate	3.75%;
■ maintenance	€4,500/unit/yr;
■ overheads	3%;
■ debt/voids	3%; and,
■ net salary cap	€1,925/mth.

### Viability

The total development costs and total revenue numbers for each tenure are shown in **Table 6**. It shows that none of the tenures are viable prior to Government intervention. A gross margin/risk hurdle of 15% is used for BTS and PRS and a net salary ceiling limit of €1,925/mth combined with a minimum 25% reduction on market rents is applied to CR.

### Government Intervention

The case study then examines the impact of the Government initiatives that have been introduced to improve apartment viability. These include:

1. **VAT:** reduction of VAT from 13.5% to 9%, which is applicable to BTS, PRS and CR.
2. **Croí Cónaithe:** In Dublin, an allowance of up to €120,000 is

**Table 6: Total development costs and total revenue numbers for each tenure prior to government intervention measures.**

	BTS	PRS	Cost rental
Site purchase	€52k	€52k	€30k
Construction	€307k	€307k	€307k
Development contributions and utility connections	€24k	€26k	€27k
Professional fees	€25k	€25k	€25k
Sales/letting costs	€13k	€13k	€10k
Finance	€38k	€38k	€11k
Contingency	€10k	€10k	€10k
Margin/risk	Incl. below	Incl. below	€0k
Sub-total (excl. VAT)	<b>€468k</b>	<b>€471k</b>	<b>€420k</b>
<b>Sales/rental options</b>			
	↓	↓	↓
	<b>Private sale</b>	<b>Private rental</b>	<b>Cost rental**</b>
Average net revenue per unit	<b>€444k</b>	<b>€428k</b>	<b>€2,126/mth</b>
<b>VIABILITY</b>			
Margin/risk	<b>-€24k</b>	<b>-€43k</b>	<b>-€403/mth</b>
	<b>-5%</b>	<b>-9%</b>	<b>-23%</b>

available on a per-unit basis where a viability gap is present.

This is only available on BTS schemes.

3. **STAR/cost rental subvention:** In Dublin, an allowance of €175,000 is available per unit with a €25,000 top-up for quality environmental schemes.
4. **Corporation Tax exemption:** The Government has introduced a Corporation Tax exemption on rental profits arising from dwellings designated cost rental.
5. **Levy waiver:** This has NOT been applied, as it only applies to schemes that were commenced in 2024. Eligible schemes have until the end of 2026 to complete their projects. It is worth noting that, depending on location, the VAT reduction is equivalent to the levy waiver saving.

### Impact

As demonstrated, the initiatives only apply to certain tenures, with the more impactful only applicable to BTS (Croí Cónaithe) and CR (STAR). PRS is an obvious outlier, with VAT as the only viability measure applicable, which represents a 4.5% reduction on input costs (**Figure 12**). **Figure 8** shows the financial impact of Government incentives on a per-unit basis. **Table 7** shows the impact of the initiatives, which have been calculated on each unit type and then amalgamated back to an average unit number.

### (a) Build to sell

The reduction in VAT from 13.5% to 9% delivers an average saving of approximately €18,000 per unit, a meaningful improvement

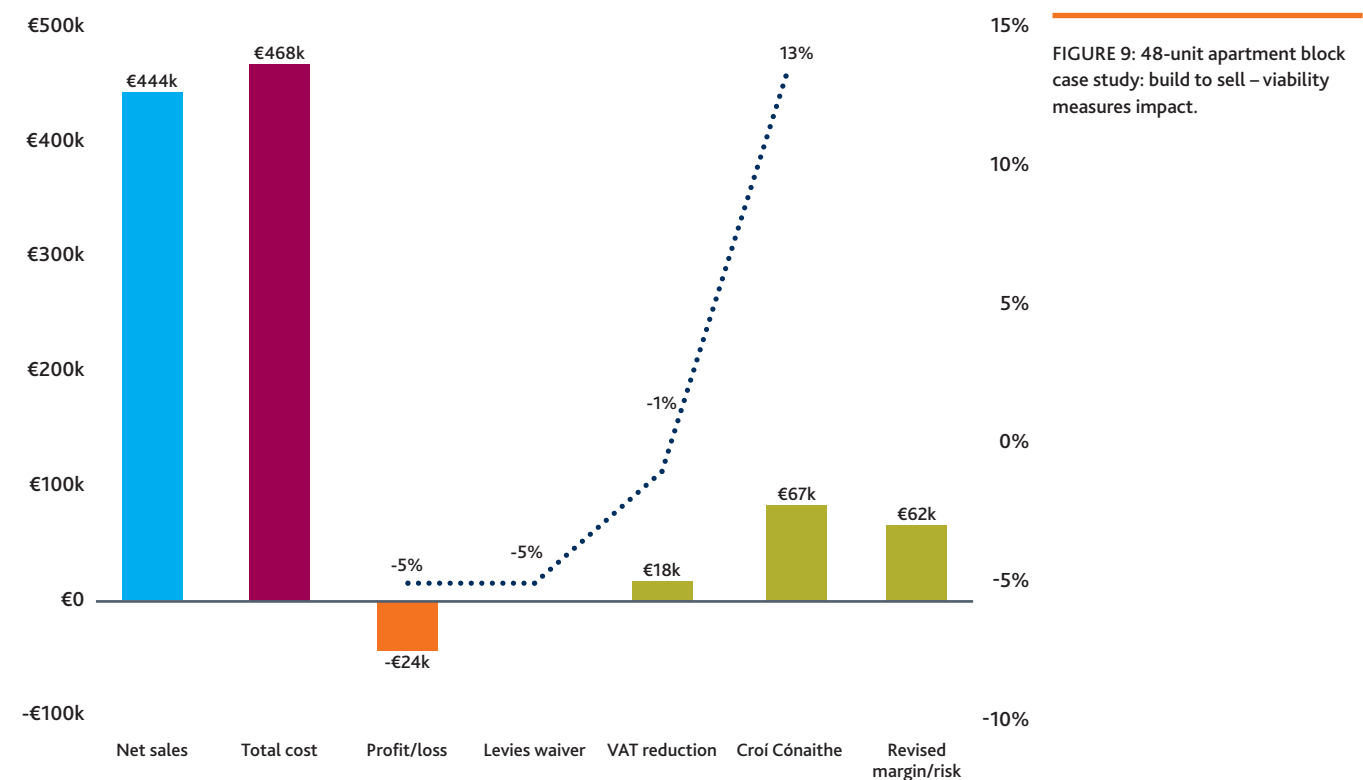
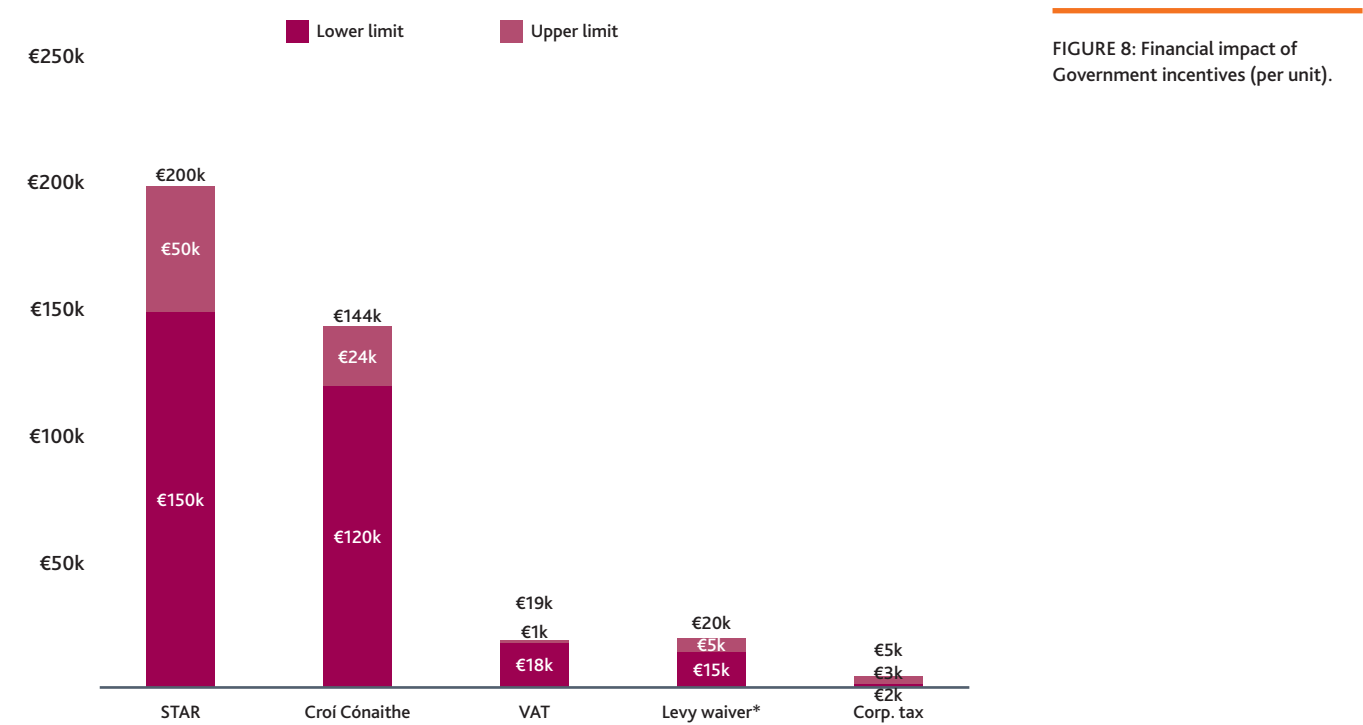
Financial Initiatives	BTS	PRS	CR
<b>STAR</b> (€150-200k per unit)	✗	✗	✓
<b>Croí Cónaithe</b> (€120-144k per unit)	✓	✗	✗
<b>Vat</b> (€18-19k per unit)	✓	✓	✓
<b>Levy waiver</b> (€15-20k per unit)	✗	✗	✗
<b>Corp. Tax</b> (€2-5k per unit/per year)	✗	✗	✓

Applicable Government initiatives in the three tenure types.

**Table 7: Impact of Government initiatives.**

Sales/rental options	Private sale	Private rental	Cost rental**
Average net revenue per unit	€444k	€428k	€2,126/mth
<b>VIABILITY</b>			€1,723/mth
<b>Margin / Risk</b>	-€24k -5%	-€43k -9%	-€403/mth -23%
<b>State intervention (viability measures)</b>			
Levy waiver (S48 and UE)	€0k	€0k	€0/mth
Reduction of VAT rate (13.5% to 9%)*	-€18k	-€19k	-€5/mth
Sales: Croí Cónaithe (max. €120k/unit – Dublin)	-€67k	n/a	n/a
Corp. Tax	n/a	n/a	-€13/mth
Cost rental subvention (up to €200k/unit)	n/a	n/a	-€385/mth
<b>REVISED VIABILITY (following State subvention)</b>	€62k 13%	-€24k -5%	€1,723/mth €0/mth

# Real Cost of New Apartment Delivery 2025



when compared with the €24,000 per-unit loss recorded prior to the introduction of recent State interventions (Figure 9). As this scheme is located in Dublin, the maximum subvention available under the Croí Cónaithe (Cities) Scheme is €120,000 per apartment, applied strictly on a unit-by-unit basis rather than

across the scheme as a whole. This means the subvention is calibrated to the specific viability gap of each dwelling: for example, a one-bed apartment with a €20,000 deficit would receive €20,000, while a three-bed apartment with a €170,000 deficit would still be capped at €120,000, leaving a residual

viability gap of €50,000. In this case study, because viability gaps varied significantly across unit types, only €67,000 of the €120,000 maximum support could be utilised on average. Taken together, the VAT reduction and the Croí Cónaithe subvention materially improve the viability of the BTS scheme examined. These measures shift the project from an unviable position of a €24,000 loss per unit to a surplus of €62,000 per unit, equivalent to a 13% gross margin/risk. For the purposes of this report, a 15% gross margin/risk is used as a typical risk-adjusted hurdle rate; however, this threshold varies depending on the project's risk profile and the expectations of funders. In lower-risk scenarios – such as forward-funded or forward-commit structures where units are effectively pre-sold – developers and lenders may accept lower margins. Conversely, in higher-risk market sale schemes, where price realisation and absorption levels are uncertain, developers and funders generally require higher margins to compensate for increased exposure. It should be noted that local authority development contributions and the Uisce Éireann levy waiver have not been applied in this case study. These reliefs were available only to schemes with a valid commencement notice submitted before the 2024 deadline and due for completion by 2026. As those waivers have now ceased, their removal broadly offsets the benefit of the VAT reduction in cases where earlier levy exemptions would no longer apply.

(b) Private rented sector

The VAT reduction from 13.5% to 9% results in an average saving of €19,000 per unit, which again is significant (Figure 10). As outlined above, there are currently no dedicated Government initiatives targeted specifically at improving the viability of PRS schemes. The most significant policy intervention affecting the rental market in 2025 was the reform of Rent Pressure Zones (RPZs) and broader changes to Ireland's rent regulation framework. While these changes are likely to influence investor sentiment and, over time, ease pressure on investment yields, they do not directly address the input costs that underpin PRS development viability. Beyond the temporary VAT reduction, there are no measures currently available that materially reduce construction or financing costs for PRS delivery. Given that this tenure relies heavily on external private capital, ensuring that PRS schemes are financially viable is critical to maintaining a balanced and sustainable housing supply pipeline. The case study illustrates these challenges clearly. Even after applying the VAT reduction, the representative PRS scheme continues to generate a 5% loss, underscoring the scale of the viability gap. If the development levy waiver were still available, the €24,000 per-unit loss would fall to roughly €4,000; however, the scheme would still fall short of viability, particularly when assessed against investor requirements. The investment yield

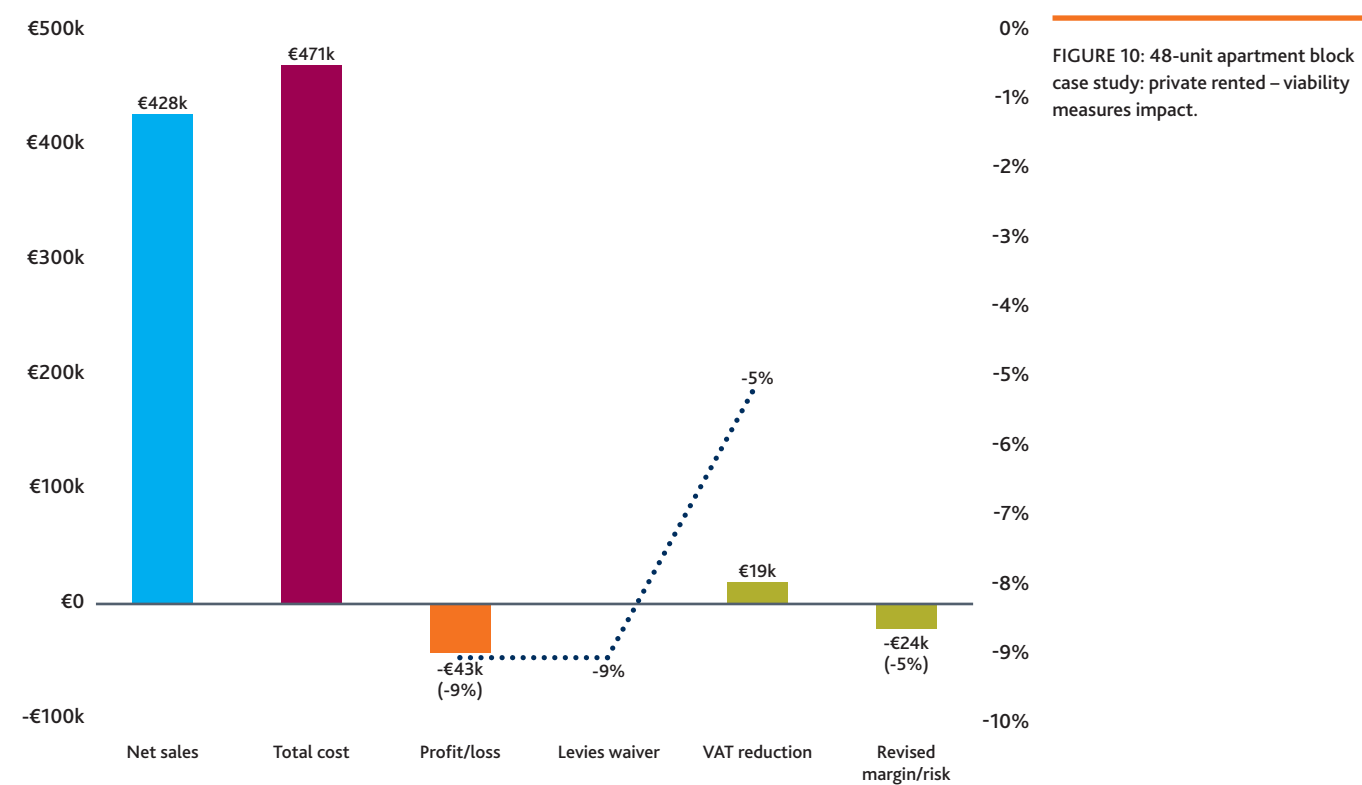


FIGURE 10: 48-unit apartment block case study: private rented – viability measures impact.

assumed in this analysis is 5.04%, which corresponds to the post-intervention loss. To achieve a standard 15% gross margin, and assuming no change in rent levels, the investment yield would need to compress to approximately 4.13% – a level unlikely to be reached in the short term given prevailing macroeconomic conditions and investor risk expectations.

These dynamics highlight a growing tension between national housing targets and the financial realities of delivering PRS homes. With the ambition of delivering 300,000 homes by 2030, and with PRS historically forming an important part of apartment output in urban areas, the absence of interim viability supports risks constraining supply.

Consideration of targeted, time-bound incentives to unlock PRS development may therefore be warranted, ensuring that this tenure continues to contribute meaningfully to overall delivery while broader market and regulatory adjustments take effect.

### (c) Cost rental

CR is a different model to BTS and PRS. CR can be developed by public bodies or by the private sector under the STAR scheme. In its simplest form, CR adds up the total development costs for the apartments in addition to their running costs and, in effect, mortgages that cost over a 50-year investment cycle to produce a 'cost rent'.

There are two major rules that must be adhered to for a scheme to be deemed CR:

**1. Income eligibility/affordability rule:** The net household income must be below specified thresholds (e.g., €66,000 in Dublin, €59,000 outside Dublin).

Also, it must typically be shown that the rent would not exceed about 35% of net household income. This equates to a maximum rent of €1,925/mth per unit.

**2. Rent level rule:** The rent for a cost rental home must be set at least 25% below the equivalent market rent in the area.

Three separate viability/affordability measures now apply to CR:

**1. VAT:** reduction of VAT from 13.5% to 9%, which is applicable to BTS, PRS and CR.

**2. STAR/cost rental subvention:** In Dublin, an allowance of €175,000 per unit with a €25,000 top-up for quality environmental schemes.

**3. Corporation Tax exemption:** The Government has introduced a corporation tax exemption on rental profits arising from dwellings designated cost rental.

Prior to any State intervention, the average cost rent in the scheme is €2,126 per month, which exceeds the income rule threshold by €201 per month relative to the permitted rent cap of €1,925. However, when the rent rule – requiring rents to be at least 25% below market levels – is applied, the allowable average rent reduces further to €1,723 per month, widening the deficit (**Figure 11**). The rent rule is particularly sensitive to the local market context and unit mix, meaning that schemes in higher-rent areas or with more expensive, larger units face proportionately greater viability challenges.

This is clearly demonstrated at the unit level. In the case study, a one-bed apartment has a pre-subsidy cost rent of €1,742 per month, which satisfies the income rule but exceeds the rent rule threshold by €73 per month. In areas with lower market rents, this deficit would increase further.

The impact is significantly more pronounced for three-bed units, where the cost rent of €2,812 per month fails both tests: it breaches the income-based cap by €887 per month and exceeds the rent rule limit by €253 per month. Because the income rule binds in this instance, the overall deficit is €887 per month, compared with only €73 per month for the one-bed.

These findings illustrate a core structural issue within CR delivery: larger units require materially higher levels of subsidy to meet both the affordability thresholds and the statutory discount relative to market rents. Schemes with a higher proportion of three-bed units therefore face disproportionately larger funding gaps and depend more heavily on STAR support to achieve compliance and long-term viability. **Table 8** shows the impact on each unit type in the case study.

■ The actual setting of the cost rent must be agreed with the housing agency.

A judicial review was lodged in the High Court in October 2025, arguing that the revised apartment design guidelines were introduced without fulfilling certain statutory and procedural requirements, including the failure to carry out a Strategic Environmental Assessment (SEA) prior to publication. This omission, it is claimed, may render the guidelines unlawful. While the case remains before the Court, the Government has indicated its intention to withdraw and replace the current guidelines with a new draft National Planning Statement. This statement will incorporate the necessary assessments – such as the SEA – to address the procedural issues raised and ensure compliance with statutory obligations. In this case study, the following changes were made to test the impact on viability:



Table 8: Impact of Government subventions on unit types under the cost rental tenure.

COST RENTAL SUBVENTION						
		1B	2B3P	2B4P	3B5P	Average
Test 1: income threshold	Income/affordability rule:	€1,925/mth	€1,925/mth	€1,925/mth	€1,925/mth	€1,925/mth
	Cost rent w/o subvention	€1,742/mth	€2,170/mth	€2,265/mth	€2,812/mth	€2,126/mth
	Surplus/deficit	€183/mth	-€245/mth	-€340/mth	-€887/mth	-€201/mth
Test 2: Market rent		1B	2B3P	2B4P	3B5P	Average
	Market rent (case study)	€2,225/mth	€2,675/mth	€2,900/mth	€3,413/mth	€2,679/mth
	Market rent (-25%) cap	€1,669/mth	€2,006/mth	€2,175/mth	€2,559/mth	€2,010/mth
	Cost rent (w/o subvention)	€1,742/mth	€2,170/mth	€2,265/mth	€2,812/mth	€2,126/mth
	Surplus/deficit	-€73/mth	-€164/mth	-€90/mth	-€253/mth	-€116/mth
Subvention		1B	2B3P	2B4P	3B5P	Average
	Cost rent (w/o subvention)	€1,742/mth	€2,170/mth	€2,265/mth	€2,812/mth	€2,126/mth
	Largest deficit	-€73/mth	-€245/mth	-€340/mth	-€887/mth	-€302/mth
	Subvention (post VAT and CT savings)	€242/mth	€420/mth	€415/mth	€887/mth	€403/mth
New cost rent*		€1,500/mth	€1,750/mth	€1,850/mth	€1,925/mth	€1,723/mth
Test 1: income threshold		✓	✓	✓	✓	✓
Test 2: 25% less market rent		✓	✓	✓	✓	✓

\* The actual setting of the cost rent must be agreed with the housing agency.

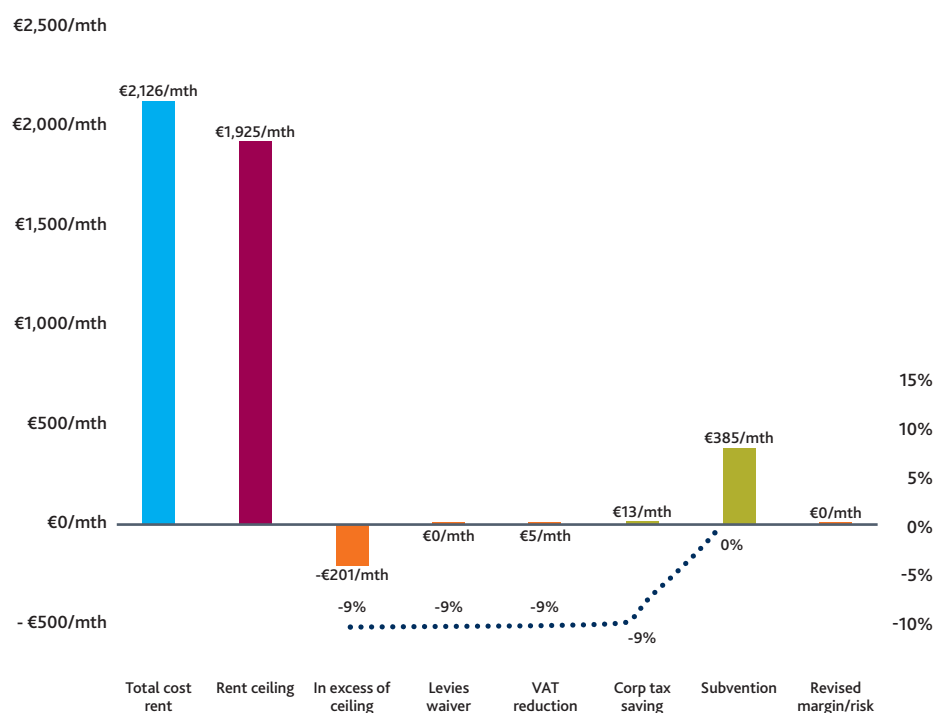


FIGURE 11: 48-unit apartment block case study: cost rental – viability measures impact.

Proposed Apartment Design Guidelines amendments

The Government introduced new ‘Design Standards for Apartments: Guidelines for Planning Authorities’ in July 2025. The changes included the following:

Area	Previous standard	2025 change
Apartment mix	2023 guidelines: up to 50% of units in a scheme could be one-bed or studios (with max ~20-25% studios) unless local plan specified otherwise.	2025 guidelines: Remove the cap on one-bed/studios in general. Mix must still be based on need (Housing Need Demand and Assessment) in social housing, cost rental or older persons’ housing.
Minimum floor areas	Example: studio 37m²; one-bed (two-person) 45m²; two-bed (four-person) 73m²; three-bed (five-person) 90m².	2025: studio reduced to ~32m²; new typologies introduced or limits removed (e.g., two-bed three-person at ~63m²; three-bed four-person at ~76m²) while the larger minimums (e.g., three-bed five-person 90m²) remain.
Threshold for “units exceeding minimum area”	More than 50% of units in a scheme had to exceed minimum floor area by at least 10%.	2025: This threshold is reduced to at least 25% of units in the scheme rather than 50%.
Dual-aspect requirement	Previously: min. 33% dual aspect units in central/accessible locations, and 50% in suburban/intermediate.	2025: The minimum dual-aspect threshold is reduced to 25% across all locations.
Floor-to-ceiling heights	Ground-floor apartments minimum height 2.7m, and in some cases higher (to facilitate future change of use to commercial).	2025: Minimum remains 2.7m for ground-floor apartments, but the additional requirement for higher floor-to-ceiling for future change-of-use is removed (i.e., flexibility increased).
Lift and stair core (units per core)	Max ~12 units per floor per lift/stair core in earlier guidelines.	2025: The requirement is removed with no fixed maximum units per core.
Private amenity/balconies and communal spaces	Stronger standards for balconies/private amenities, and some schemes had to include communal/community/cultural floorspace.	2025: Greater flexibility, e.g., requirement for communal/community/cultural floorspace is only where identified in the plan (not blanket). Also, up to 50% of units may omit balconies in very particular circumstances.

A judicial review was lodged in the High Court in October 2025, arguing that the revised apartment design guidelines were introduced without fulfilling certain statutory and procedural requirements, including the failure to carry out a Strategic Environmental Assessment (SEA) prior to publication. This omission, it is claimed, may render the guidelines unlawful. While the case remains before the Court, the Government has indicated its intention to withdraw and replace the current guidelines with a new draft National Planning Statement. This statement will incorporate the necessary assessments – such as the SEA – to address the procedural issues raised and ensure compliance with statutory obligations.

In this case study, the following changes were made to test the impact of the design changes on viability:

- 1. Mix: Changes in the mix, as per **Table 9**. In effect, the percentage of three-beds has been reduced from 15% to 8%, and the number of studios has increased from 0% to 13%. So, seven studios have replaced three three-bed units, with an additional two bedrooms also added, increasing the allocation from 16 to 18, and increasing the number of units from 48 to 54, with no changes to the overall building outline or specification.
- 2. The number of oversized units has reduced from 50% to 25% in line with the new proposed guidelines.
- 3. No change to en suites.
- 4. The three-bed (five-person) units have remained as such, i.e., no reduction to three-bed (four-person).
- 5. The number of two-bedroom (four-person) units has increased from 16 to 18.
- 6. Dual aspect has decreased from 35% to 32%.
- 7. Apartments/core have increased from 6.9 to 7.7.
- 8. No change to balcony allowances.
- 9. No change to community space in the block.

10. No change to bicycle allowances.

**Table 10** illustrates the differences and costs pre and post design changes.

Impact

1. Site

As the site purchase cost remains the same, the additional six units reduces the site cost by €6k for BTS and PRS, and €3k for CR.

2. Construction costs

The construction costs reduce by €22k per unit due to the change in mix.

Further savings could be possible by changing the type of two- and three-beds to three-person and four-person, respectively, and other changes noted above, but these were not done in this case study.

The proposed design guideline changes are possible for schemes with planning permission like this scheme, but can be used more successfully in a new planning application scenario as designers are able to utilise the flexibility introduced in the guidelines to create more efficient design, and different unit mixes and typologies.

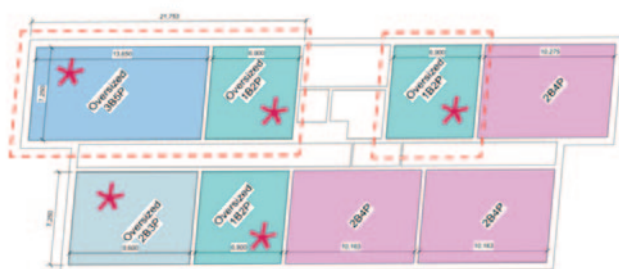
Table 9: Impact of changes due to apartment guidelines to case study development.

CASE STUDY: APARTMENT DESIGN GUIDELINES CHANGE								
BASE CASE DESIGN	Unit Type	Studio	1B	2B3P	2B4P	3B4P	3B5P	Total
	Nr. of beds	0 Nr.	19 Nr.	6 Nr.	16Nr.	0 Nr.	7 Nr.	48 Nr.
	%	0%	40%	13%	33%	0%	15%	100%
	Gross Floor Area		1,354m² GFA	595m² GFA	1,686m² GFA	0m² GFA	988m² GFA	4,623m² GFA
REVISED DESIGN	Unit type	Studio	1B	2B3P	2B4P	3B4P	3B5P	Total
	Nr. of beds	7 Nr.	19 Nr.	6 Nr.	18 Nr.	0 Nr.	4 Nr.	54 Nr.
	%	13%	40%	13%	33%	0%	8%	113%
	Gross floor area	321m² GFA	1,288m² GFA	569m² GFA	1,905m² GFA	0m² GFA	541m² GFA	4,623m² GFA
DIFFERENCE	Unit type	Studio	1B	2B3P	2B4P	3B4P	3B5P	Total
	Nr. of beds	7 Nr.	0 Nr.	0 Nr.	2 Nr	0 Nr.	-3 Nr.	6 Nr.
	%	13%	0%	0%	0%	0%	-6%	13%
	Gross floor area	321m² GFA	-66m² GFA	-26m² GFA	219m² GFA	0m² GFA	-447m² GFA	0m² GFA

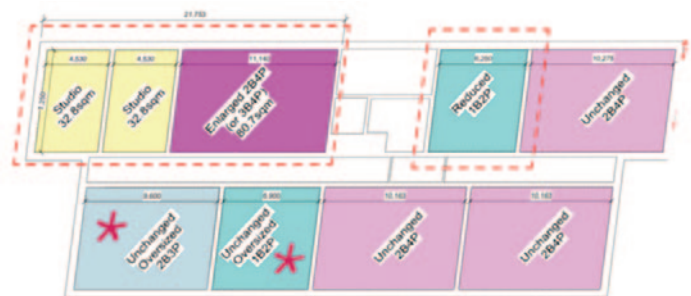
## Real Cost of New Apartment Delivery 2025

**Table 10: Breakdown of case study costs pre and post design changes.**

CASE STUDY	BASE CASE			POST DESIGN CHANGES			DIFFERENCE		
	BTS	PRS	Cost rental	BTS	PRS	Cost rental	BTS	PR	Cost rental
Site purchase	€52k	€52k	€30k	€47k	€47k	€27k	-€6k	-€6k	-€3k
Construction	€307k	€307k	€307k	€284k	€284k	€284k	-€22k	-€22k	-€22k
Development contributions and utility connections	€24k	€26k	€27k	€24k	€26k	€27k	€0k	€0k	€0k
Professional fees	€25k	€25k	€25k	€23k	€23k	€23k	-€2k	-€2k	-€2k
Sales/letting costs	€13k	€13k	€10k	€12k	€12k	€10k	-€1k	-€1k	€0k
Finance	€38k	€38k	€11k	€34k	€35k	€10k	-€4k	-€3k	-€1k
Contingency	€10k	€10k	€10k	€10k	€10k	€10k	-€1k	-€1k	-€1k
Margin/risk	Incl. below	Incl. below	€0k	Incl. below	Incl. below	€0k			
Sub-total (excl. VAT)	<b>€468k</b>	<b>€471k</b>	<b>€420k</b>	<b>€433k</b>	<b>€436k</b>	<b>€391k</b>	<b>-€36k</b>	<b>-€35k</b>	<b>-€29k</b>
SALES/RENTAL OPTIONS									
	PRIVATE SALE	PRIVATE RENTAL	COST RENTAL**	PRIVATE SALE	PRIVATE RENTAL	COST RENTAL**	PRIVATE SALE	PRIVATE RENTAL	COST RENTAL**
Average net revenue (per unit)	€444k	€428k	€2,126/mth	€421k	€408k	€2,003/mth	-€23k	-€20k	-€123/mth
VIABILITY			€1,723/mth			€1,653/mth			
Margin/risk	-€24k -5%	-€43k -9%	-€403/mth -23%	-€12k -3%	-€28k -6%	-€350/mth -18%	€12k	€15k	€54/mth



**BEFORE**



**AFTER**

### 3. Development contributions and utility connections

As most of these costs are based on a unit cost basis, there is very little change to the cost.

### 4. Professional fees

Professional fees have been included in the model at 8% of the construction costs, which derives a €2k saving per unit.

### 5. Finance

The finance calculation described earlier for each tenure results in a saving of €3-4k for the BTS and PRS tenures, and only €1k for the CR tenure due to the lower finance costs.

### 6. Contingency

The contingency is based on 3% of the construction, professional fees, and sales and letting, and therefore reduces accordingly, giving a saving of €1k per unit.

### 7. Total development cost

As a result of the changes outlined above, the total development costs (excluding VAT and margin/risk) reduce by €36k, €35k and €29k for the BTS, PRS and CR, respectively.

### 8. Net revenue

There are also changes to the revenue based on the revised mix. The BTS revenue reduces by €23k per unit, the PRS reduces by €20k per unit and the CR reduces by €123/mth. There is no actual change to the revenue of each particular unit, it is simply due to the lower number of three-beds and increased number of studios.

### 9. Viability

The savings on the total development cost are somewhat offset by the reduction in revenue. This is because most of the savings (on an average unit basis) in this case study are driven by the change in mix, not necessarily reduction in cost on the actual units themselves. A larger saving would be anticipated in a full redesign scenario where the flexibility of the new proposed guidelines could be utilised more fully.

The measures taken in this case study improve the viability margin by 2%, 3% and 5% for BTS, PRS and CR, respectively (Figure 12).

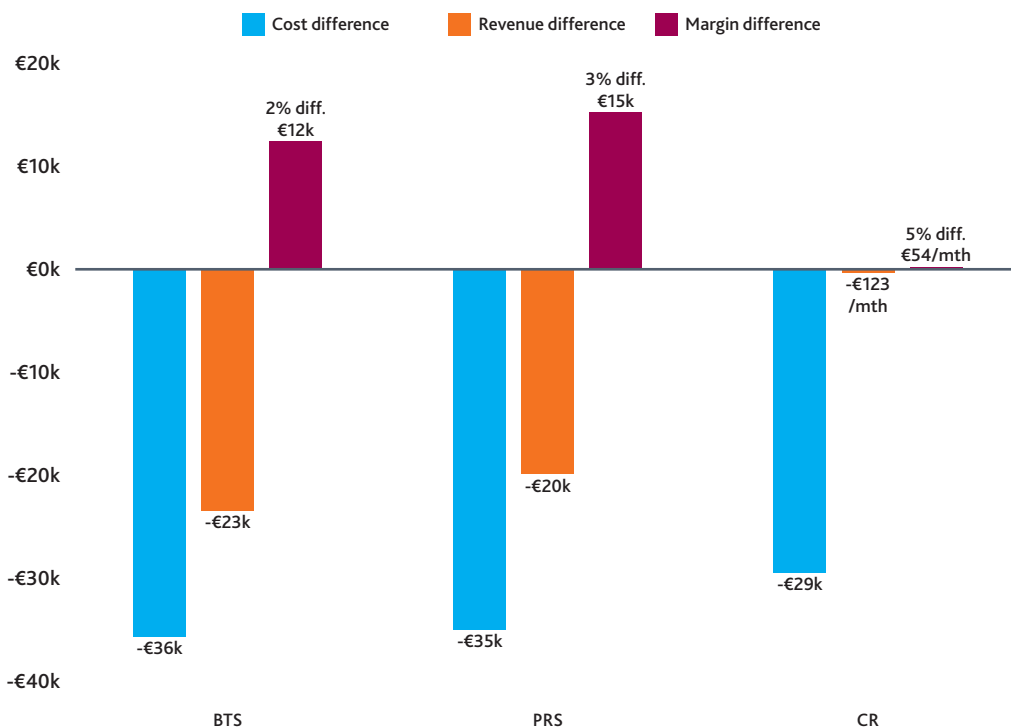


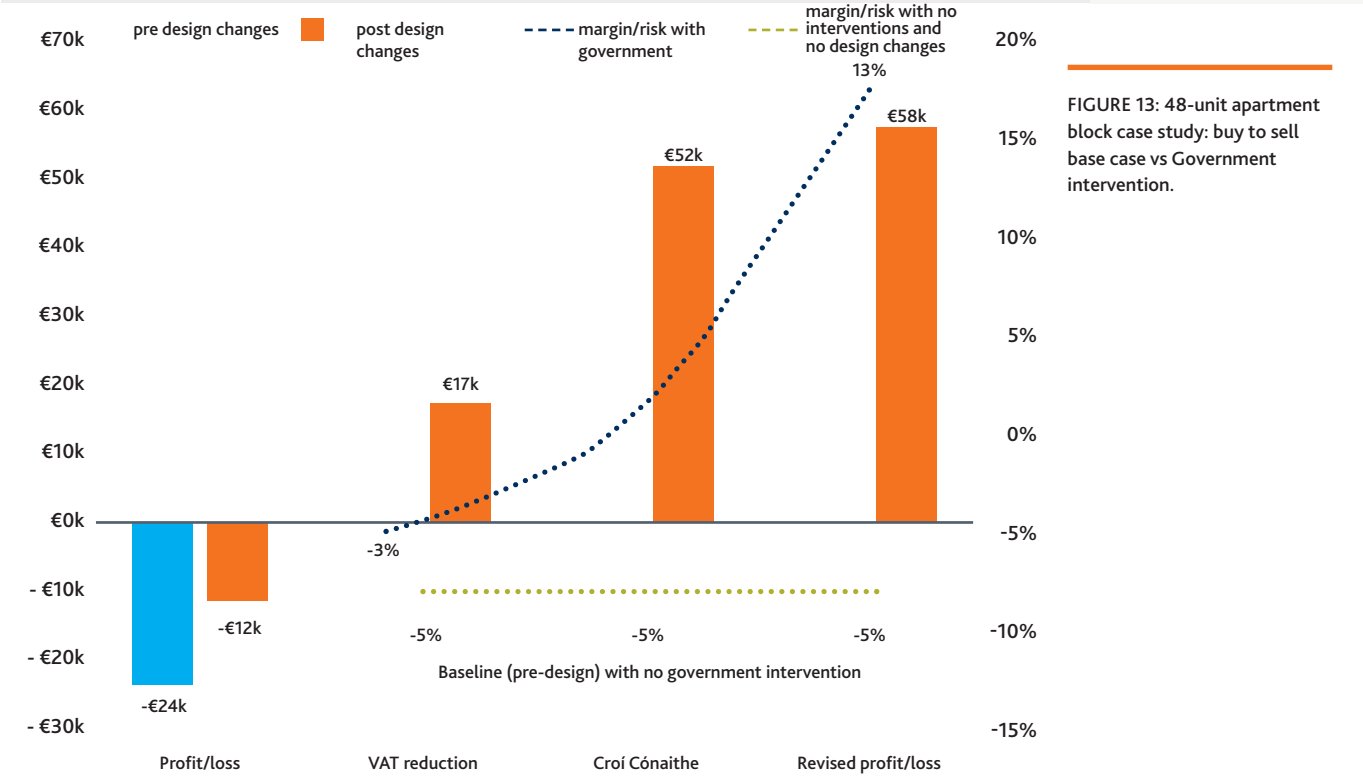
FIGURE 12: Difference in viability post apartment design changes.

Improved viability

In this case study, the State’s current financial incentives for apartment development were examined followed by an analysis of the layout/unit mix changes’ impact on viability. Both of these improve viability. The following section shows the combined impact of these changes [Table 11].

Table 11: changes in viability post design changes.

CASE STUDY	BASE CASE			POST DESIGN CHANGES			DIFFERENCE		
	BTS	PRS	Cost rental	BTS	PRS	Cost rental	BTS	PRS	Cost rental
Average net revenue (per unit)	€444k	€428k	€2,126/mth	€421k	€408k	€2,003/mth	-€23k	-€20k	-€123/mth
VIABILITY			€1,723/mth			€1,653/mth			
Margin/risk	-€24k	-€43k	-€403/mth	-€12k	-€28k	-€350/mth	€12k	€15k	€54/mth
	-5%	-9%	-23%	-3%	-6%	-18%			
State intervention (viability measures)									
Reduction of VAT rate (13.5% to 9%)*	-€18k	-€19k	-€5/mth	-€17k	-€18k	-€5/mth	€1k	€1k	€0/mth
Sales: Croí Cónaithe (max. €120k/unit – Dublin)	-€67k	n/a	n/a	-€52k	n/a	n/a	€15k		
Corp. Tax	n/a	n/a	-€13/mth	n/a	n/a	-€12/mth			€1/mth
Cost rental subvention (up to €200k/unit)	n/a	n/a	-€385/mth	n/a	n/a	-€333/mth			€53/mth
			€1,723/mth			€1,653/mth	€0k	€0k	-€69/mth
REVISED VAIBILITY (following State subvention)	€62k	-€24k	€0/mth	€58k	-€10k	€0/mth	-€4k	€14k	€0/mth
	13%	-5%		13%	-2%				





close to the 15% hurdle rate and may be sufficient to secure funding, depending on the risk profile of the project from a funding perspective.

## 2. Private rented sector

**Figure 14** shows that the base case showed a €43k/unit loss. This was reduced to a €28k loss following the redesign. The €18k VAT reduction brought the loss to €10k or -2% gross loss on cost. Unlike other tenures, PRS does not have other current interventions except VAT and the proposed revised guidelines.

As stated previously, the only current lever open to PRS is the prevailing investment yield. Investment yields are the combination of a wide range of factors including:

### Income quality and stability:

- rent levels and affordability;
- occupancy risk;
- lease structure; and,
- rent growth expectations.

### Operational performance:

- operating costs; and,
- net-to-gross efficiency.

### Asset quality and liquidity:

- building specification and longevity;
- amenities and environmental, social and governance (ESG) compliance;
- unit mix; and,
- location.

### Market conditions and capital flows:

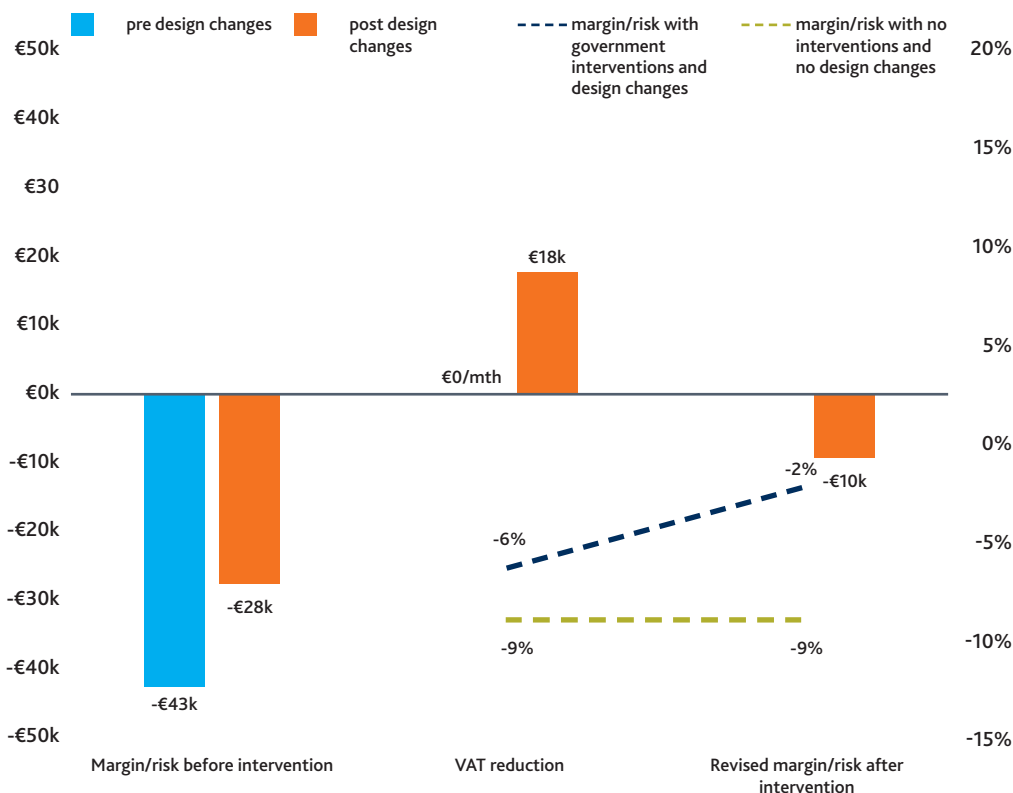
- interest rates;
- availability of debt; and,
- international investor appetite.

### Regulatory and political risk:

- rent caps/rent pressure zones;
- planning uncertainty;
- changing design standards;
- judicial reviews delaying schemes; and,
- changes to tax treatment of investors or landlords.

### Forward-funding/development risk:

- construction risk;
- developer solvency/delivery risk; and,
- certainty of completion net operating income (NOI).



**FIGURE 14:** 48-unit apartment block case study: private rental sector base case vs Government intervention.

Scale of the scheme

As stated earlier, the investment yield used in this case study is 5.04%, which results in the 2% loss on the scheme after Government intervention and revised mix. Keeping the rent levels as they are in the model, the investment yield would need to be 4.26% (on the redesigned scheme) to make a 15% gross margin.

3. Cost rental

Figure 15 shows that the base case showed a €403/mth loss on the particular rent ceiling. This was reduced to a €350/mth loss following the redesign. The VAT reduction accounted for a €5/mth saving, with the Corporation Tax exemption accounting for €12/mth in savings. The remaining deficit is addressed by the STAR subvention closing the €333/mth gap (contributing 385), bringing the average rent per unit to €1,653/mth.

AFFORDABILITY

The majority of this section of the report focused on viability and the State’s intervention measures to address the lack of viability in apartment development. This part of the report focuses on affordability and the State’s initiatives to improve it using the case study to illustrate.

1. Build to sell

There are two main affordability supports available for private BTS apartments:

- 1. Help to Buy.
- 2. First Home Scheme.

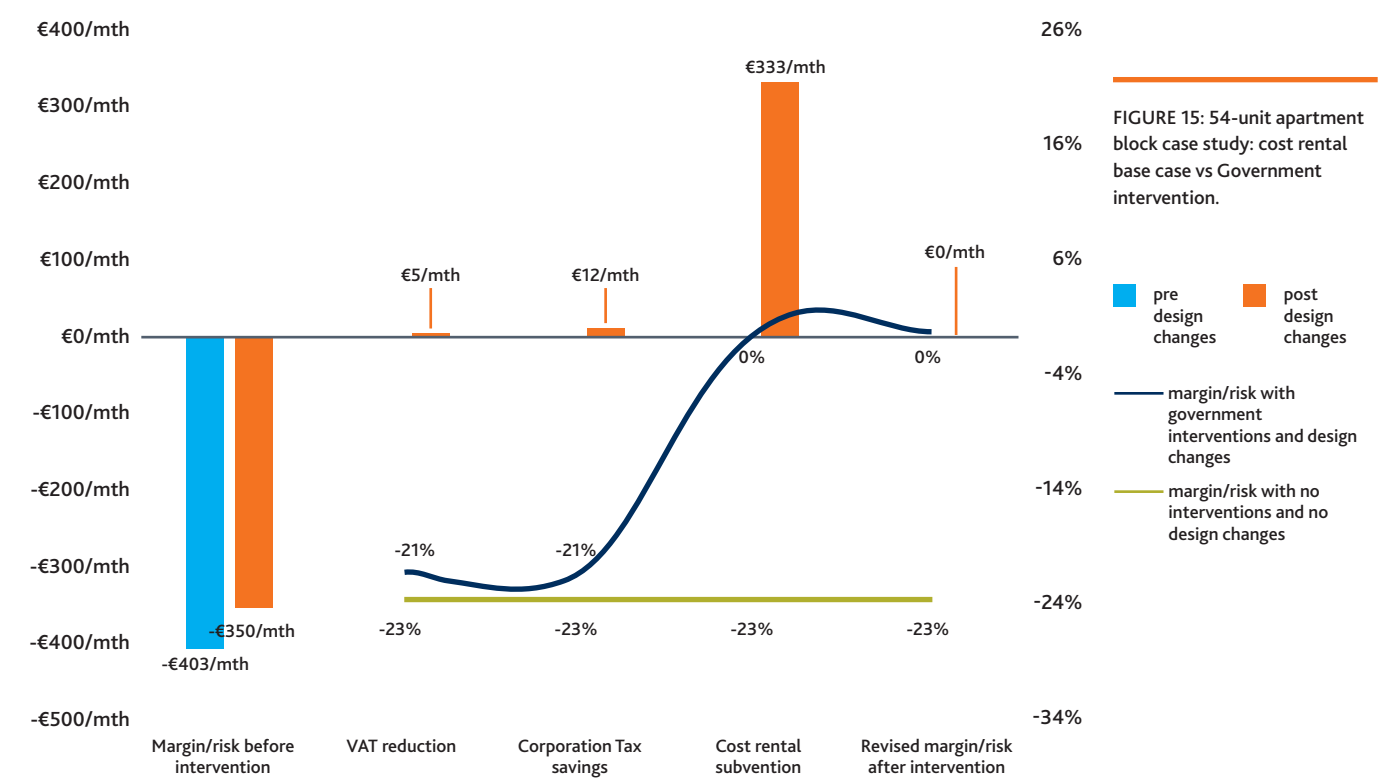
Help to Buy

The Help to Buy<sup>13</sup> (HTB) scheme is a Government incentive that supports first-time buyers of newly built homes by providing an income tax refund of up to €30,000 (or 10% of the purchase price, whichever is lower). The rebate helps buyers fund their deposit by refunding income tax and DIRT paid over the previous four years, improving affordability and enabling earlier mortgage approval. The scheme applies to new builds, self-builds, and qualifying properties up to the value cap, and is designed to stimulate housing supply and support owner-occupier demand.

First Home Scheme

The First Home Scheme<sup>14</sup> is a Government-backed shared equity initiative that helps first-time buyers to bridge the gap between their mortgage, deposit, and the price of a new home. The State

<sup>13</sup> Revenue.ie. Help to Buy (HTB) scheme – <https://www.revenue.ie/en/property/help-to-buy-incentive/index.aspx>.  
<sup>14</sup> <https://www.firsthomescheme.ie/>



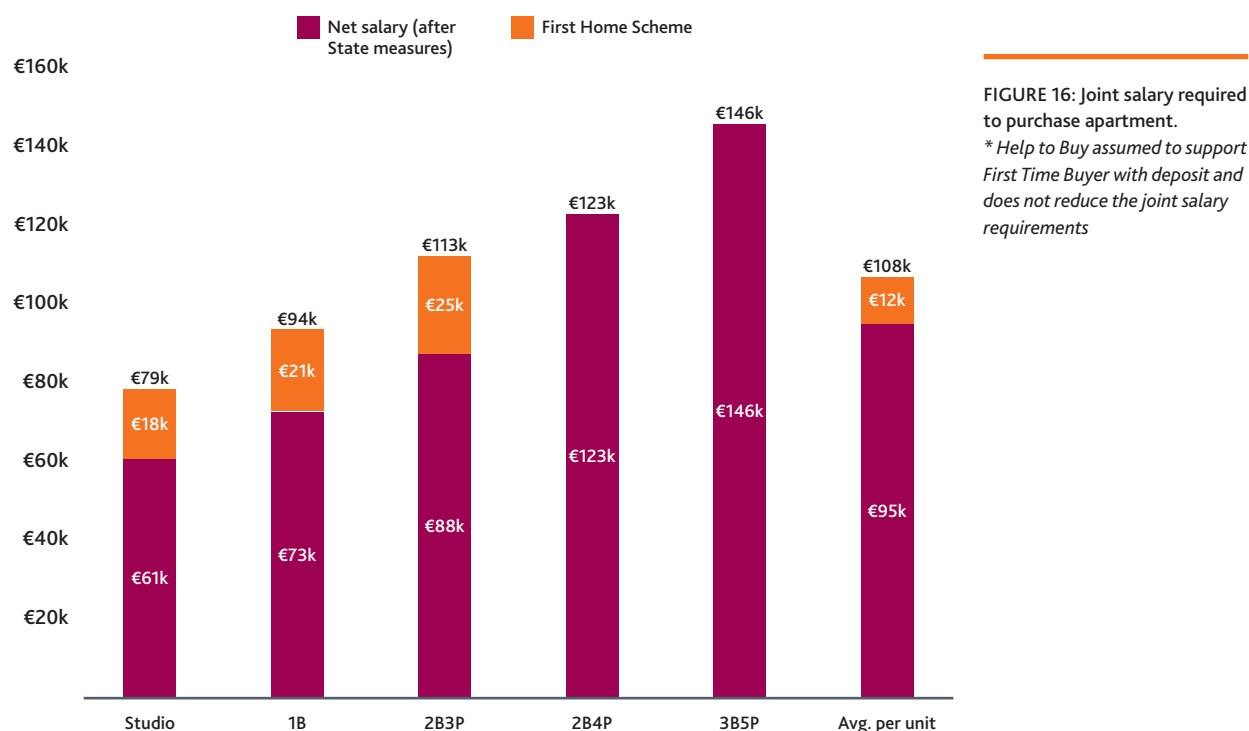


FIGURE 16: Joint salary required to purchase apartment.

\* Help to Buy assumed to support First Time Buyer with deposit and does not reduce the joint salary requirements

(and participating banks) provide an equity stake of up to 30% of the property price – 20% if the buyer also uses Help to Buy – reducing the upfront cost and enabling buyers to purchase sooner. The equity share is repaid when the home is sold, the mortgage is refinanced, or voluntarily at any time, making the Scheme a flexible, affordability-enhancing tool aimed at boosting access to new-build homes.

Important detailed conditions and criteria apply to each scheme, and the main condition that impacts the case study is the property price cap. The price caps range from €350k to €500k for apartments, with the high cap in Dublin. As shown in **Figure 16**, these two supports only correspond to the studio, one-bedroom and two-bed (three-person) apartments in the redesigned case study, as all other units have sales values in excess of €500,000. There is somewhat of an anomaly between the two-bed (three-person) and two-bed (four-person) supports available in this case study. The three-person unit has been priced at €500k and the four-person unit has been priced at €546k. Therefore, the affordability only applies to the three-person unit. This translates to a couple only needing a €93k joint salary for the three-person unit, but a €137k joint salary for the four-person unit, a 47% increase.

It is worth noting that the price ceiling for an apartment in Dublin is the same as a house, even though a house is considerably cheaper to develop. Increasing the apartment price cap in Dublin

would lead to more eligible purchasers and thus more viable schemes due to a deeper purchaser pool.

The figures below assume that the 10% deposit required for the apartment is made up of personal savings and the 10% Help to Buy amount (where available). The deposit required ranges from €5k for the studio (HTB applies) to €65k for the three-bed (HTB does not apply). It assumes that the full 20% for the First Home Scheme is used, where eligible.

## 2. Private rented sector

There is only one main affordability support available for private renters of apartments who don't qualify for the Housing Assistance Payment (HAP) or Rent Supplement, which is the Rent Tax Credit.<sup>15</sup>

The Rent Tax Credit is an annual income tax credit designed to support private renters by reducing their tax liability by up to €1,000 per individual or €2,000 per jointly assessed couple each year. It applies to tenants renting their principal residence, approved cost rental homes, and registered digs/accommodation providers, provided the tenancy is registered with the Residential Tenancies Board (RTB) where required. The credit is non-means tested, claimed through Revenue, and directly offsets income tax owed, improving net affordability for renters without altering market rents or requiring landlord participation.

**Figure 17** shows the gross salary required after the application of

<sup>15</sup> Revenue.ie. Rent Tax Credit – <https://www.revenue.ie/en/personal-tax-credits-reliefs-and-exemptions/land-and-property/rent-credit/index.aspx>.



FIGURE 17: Gross joint salary required to afford rent.

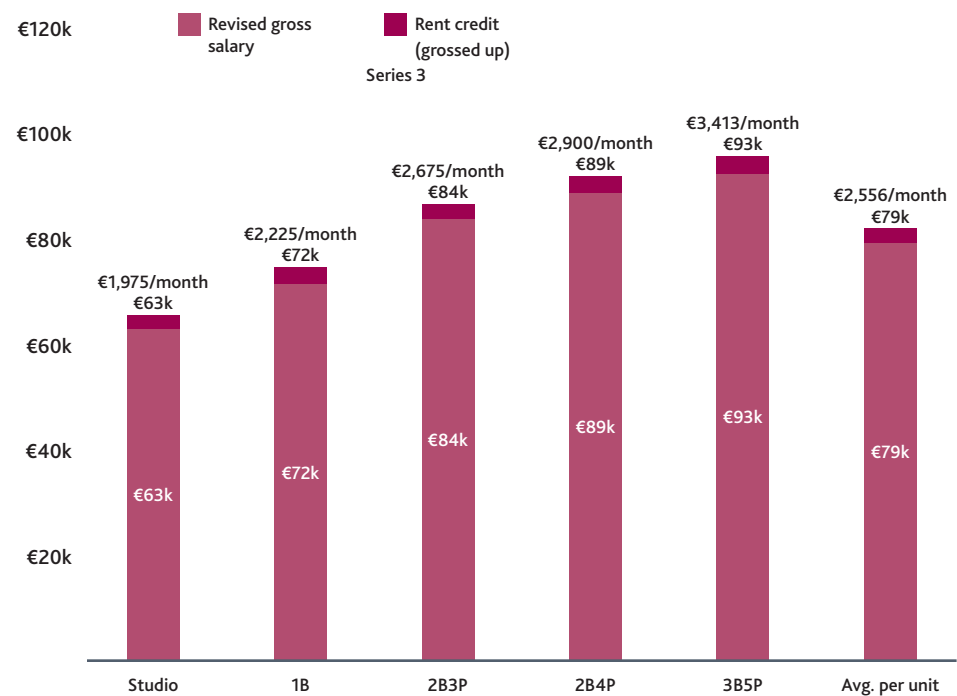


FIGURE 18: Gross joint salary required to afford cost rental.

the Rent Tax Credit. As shown, a couples require a combined salary of €95k-167k to afford to rent an apartment. For the purposes of this illustration, it is assumed that affordable rent is 35% of net salary. Net salaries are assumed to be 69% of gross salaries, although this varies from couple to couple depending on their circumstances.

### 3. Cost rental

The concept behind cost rental is solely focused on affordability, and is addressed in the viability part of the case study above.

**Figure 18** shows the average gross salary required (after the application of the Rent Tax Credit) for each of the unit types. These compare very favourably with the PRS salary requirements shown above.

Comparison

Comparing the three tenures from an affordability perspective, it is clear that CR is a vital measure for those eligible (Figure 19). The LDA and AHBs are building up traction in this important area with thousands of units in the pipeline. There has not been the same

uptake on the private sector side as of yet. It is clear that there is a real affordability issue around private rent for people outside the CR income limits (€66k net in Dublin and €59k net outside Dublin). To provide context, as per the CSO data for 2024, the average gross salary in Ireland is €46,331 per annum (Figure 20).

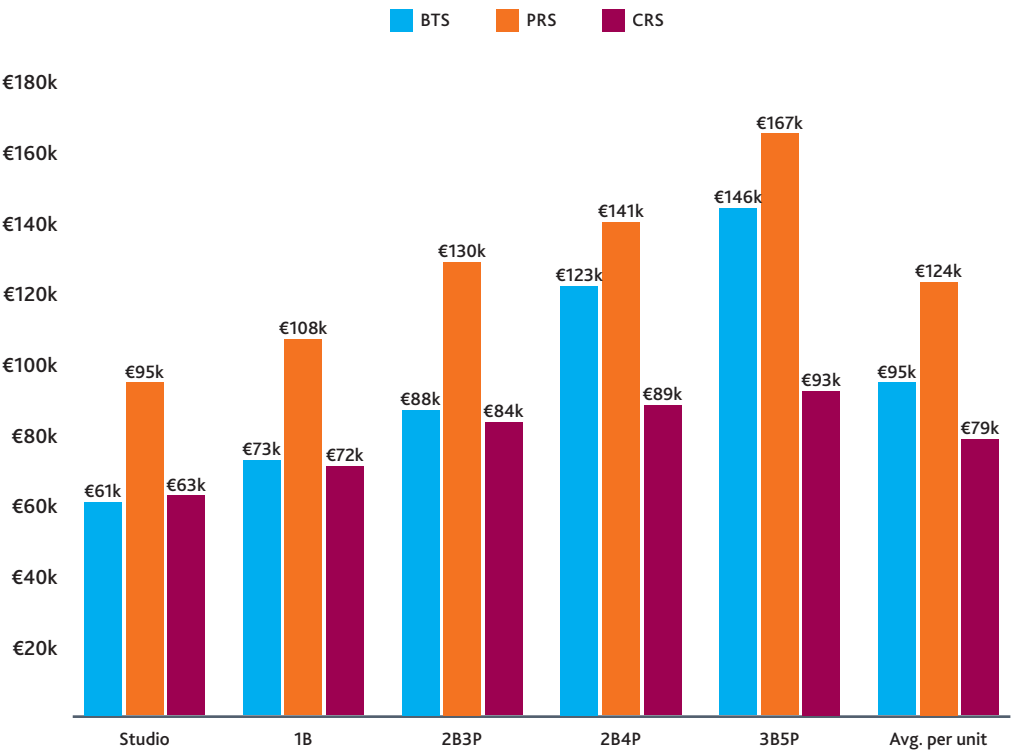


FIGURE 19: Gross joint salary required for buy to sell, private rental sector, and cost rental.

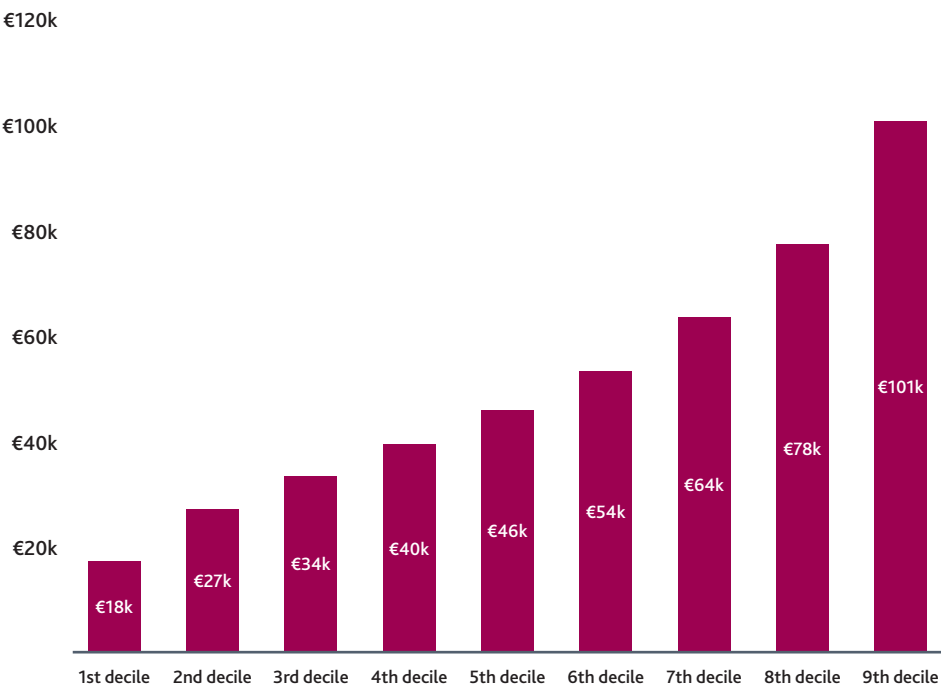
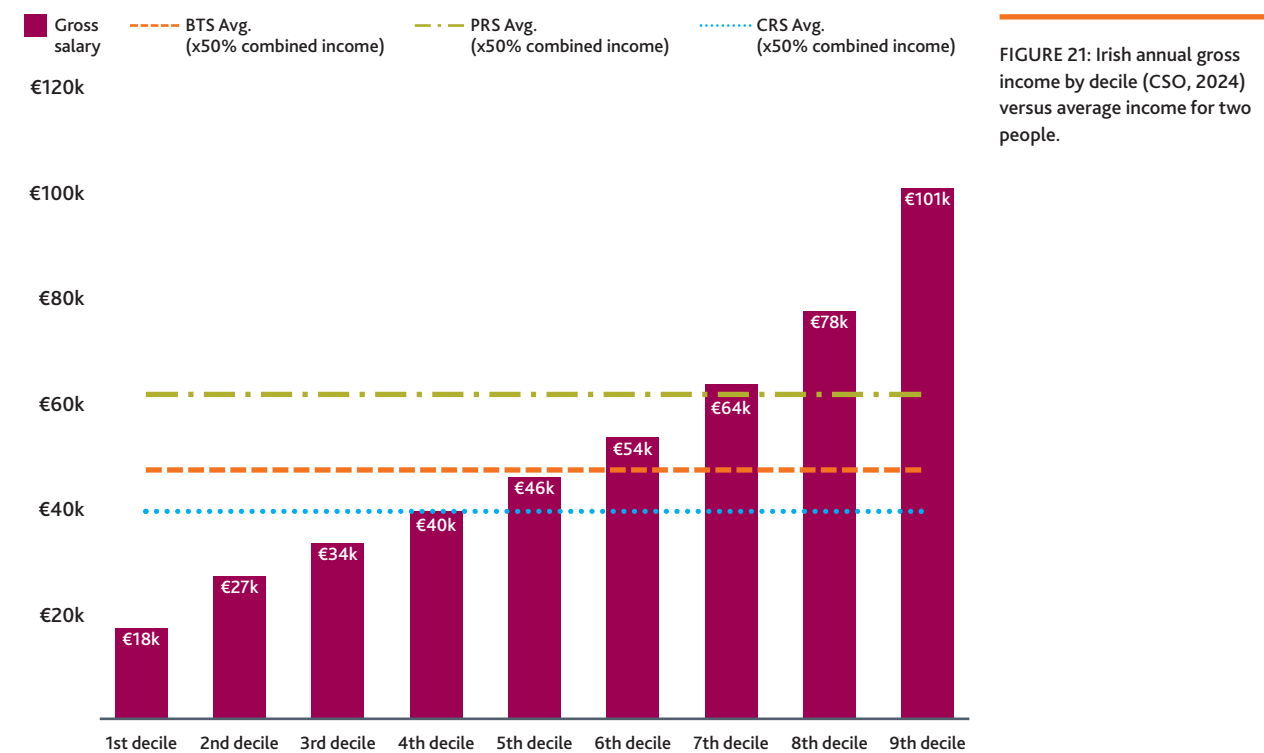


FIGURE 20: Irish annual gross income by decile (CSO, 2024).



The CSO income distribution data shows a steep gradient across earnings in Ireland. Half of all workers earn less than €46,331 annually, while 70% earn below €64,002. The upper deciles rise sharply, with the top 20% earning above €77,681 and the top 10% exceeding €101,055. This distribution highlights the concentration of higher earnings in a relatively small share of the workforce, with significant implications for housing affordability, rental stress, and access to homeownership supports. When benchmarked against these deciles, required incomes for new-build apartments or private rents in Dublin often fall within the 8th or 9th decile, underscoring the affordability gap facing most households.

If you overlay the annual gross income by decile from 2024, which is for an individual, and compare it to the gross salary required (divided by two because it is a combined income) for the average apartment unit under each tenure, it provides a clear picture of the affordability issues faced.

**Figure 21** illustrates a clear mismatch between Irish income distribution and the income levels required to afford new apartments. CSO earnings data for 2024 show that half of workers earn less than €46,331 per year, and even the 7th decile peaks at approximately €64,000. When benchmarked against this distribution, the average gross incomes required for BTS, PRS, and CR homes fall well above the median earner and, in several

cases, exceed the 7th decile threshold. This demonstrates that the incomes needed to access many new apartments – whether through purchase or rent – are concentrated within the top 20-30% of the earnings distribution. Consequently, the majority of dual-income households do not meet the income levels typically required to participate in new housing supply without significant State support. The evidence highlights a structural affordability gap whereby new-build housing is effectively inaccessible to most workers, reinforcing the need for targeted affordability interventions.





# **PART III: CONCLUSIONS AND RECOMMENDATIONS**

# CONCLUSIONS AND RECOMMENDATIONS

The analysis undertaken in the 2025 Real Cost of Apartment Delivery report reveals that viability in the apartment sector is heavily reliant on current Government policy interventions, but these measures have not resolved the structural affordability gap. Initially, the majority of apartment types were financially unviable. However, the reduction of VAT and the introduction of schemes like Croí Cónaithe work towards bridging the financial deficit recorded in the BTS projects, allowing most categories to achieve or approach the 15% gross margin hurdle rate. Similarly, the CR schemes achieved viability through subvention such as the STAR scheme. In contrast, the PRS remains an outlier, showing persistent financial loss due to the lack of dedicated viability interventions

beyond temporary VAT reduction. Despite improvements in viability, a major affordability challenge persists for purchasers. To afford a typical two-bedroom apartment, a couple requires a high minimum joint salary, ranging from €108,000 to €146,000. Crucially, key affordability schemes, such as the First Home Scheme and the Help to Buy scheme, are limited by a €500,000 sales price cap, rendering them unavailable for the majority of new two-bedroom apartments. Consequently, the required incomes for BTS and PRS apartments concentrate access within the top 20-30% of Irish earnings distributions, illustrating a fundamental structural affordability gap that prevents most workers from accessing new housing supply without significant Government support.

## RECOMMENDATIONS

### MAIN POLICY RECOMMENDATIONS

AFFORDABILITY	VIABILITY	SUPPLY
Introduce housing typologies for each step of the housing ladder, e.g., student, key workers, shared accommodation, senior living, etc.	Levy waivers: <ul style="list-style-type: none"><li>■ Extend levy and Úisce Éireann waivers and include S.49 levies.</li><li>■ Offset community infrastructure against levies (in absence of levy waiver).</li></ul>	Apartment Design Guidelines: Publish National Planning Statement (NPS) for Apartments for implementation.
	Consider a time-limited initiative to further encourage PRS participation in new apartment building.	Introduce Licence Model/Competitive Dialogue model for SME developers
	Introduce a 'Brownfield Remediation Relief' (Irish equivalent of UK Land Remediation Relief).	Immediately implement new measures to curtail extent of judicial reviews taken.

### SUGGESTED IMPROVEMENT TO EXISTING POLICIES

AFFORDABILITY	VIABILITY	SUPPLY
	Croí Cónaithe: <ul style="list-style-type: none"><li>■ Allow Croí Cónaithe to 'share' unused subsidy from smaller units to larger units to improve viability where required.</li><li>■ Provide a 'State-backed' tenure backstop for units that fail to sell in Croí Cónaithe schemes.</li><li>■ Expand Croí Cónaithe to other regional growth centres.</li></ul>	Provide a single-stage approval process for Capital Advance Leasing Facility (CALF) and Cost Rental Equity Loan (CREL) for AHBs.

**SUGGESTED IMPROVEMENT TO EXISTING POLICIES - CONTINUED**

AFFORDABILITY	VIABILITY	SUPPLY
		Expand successful AHB Forward Funding Model for to wider cohort of AHBs.
		Continue to improve and enhance measures to ramp up labour force.
		Introduce strict deadlines for Urban Development Zone (UDZ) delivery and publish 'league table' for local authorities.

**AREAS FOR INVESTIGATION**

AFFORDABILITY	VIABILITY	SUPPLY
Seek feedback to understand why STAR is not being used by private sector developers.	Investigate housing assistance package specifically for infill apartment schemes.	Explore resources in fire departments to address year-long plus delays in granting Fire Certificates for apartment schemes.
Set up a National Housing Bond to seed SME housebuilder schemes.		Permit/encourage current public bodies to use private debt to increase housing output.
		Explore a back-up plan if private sector investment does not materialise in time to increase PRS supply.

**EDUCATION**

AFFORDABILITY	VIABILITY	SUPPLY
Make cost, viability and affordability monitoring a permanent feature.	Publish 'what good looks like' reports on apartment design and methodology from an affordability and efficiency standpoint.	Utilise LDA toolkit/personnel in local authorities with no resource/experience
	Publish a multi-year 'Apartment Viability Roadmap' committing to stable supports for at least 5-7 years.	DHLGH to publish Annual Apartment Viability Report.
		Maintain and publish live online GIS maps to show where infrastructure and zoning, etc., are located.
		Promote Ireland as a country to invest in as a stable policy environment.
		Provide funding and flexible upskilling programmes, especially for SMEs, to encourage adoption of MMC and technologies like BIM.





# APPENDICES

# APPENDIX 1: DETAILED CATEGORY SPECIFICATIONS

Description	Category 1	Category 2	Category 3	Category 4
<b>Typical height</b>	<i>Excluded from 2025 report due to lack of available data.</i>	3-6 storeys	5-8 storeys	9-15 storeys
<b>Construction method</b>		Concrete frame structure and cores.	Precast/ <i>in situ</i> concrete frame structure and cores.	Precast/ <i>in situ</i> concrete frame structure and cores.
<b>External walls</b>		<p>Included a high percentage of brick finishes with render to rear-facing or internal facades.</p> <p>Predominately cantilever protruding balconies with some instances of recessed.</p>	<p>Included a high percentage of brick finishes and localised areas of commercial-type façade, with elements of stone, precast panels or rainscreen.</p> <p>Mixture of cantilever and recessed balconies.</p>	<p>Included a high percentage of brick finishes and localised areas of commercial-type facade, with elements of stone, precast panels or rainscreen,</p> <p>Mixture of cantilever and recessed balconies.</p>
<b>Mechanical installation and services</b>		Heating and plumbing may be centralised and can incorporate more sustainable features.	Centralised or heat pumps and may incorporate more sustainable features. Sprinklers may also be installed as part of specific designs.	Centralised or heat pumps and may incorporate more sustainable features. Sprinklers may also be installed as part of specific designs.
<b>Parking</b>		Generally a mix of partial basement/undercroft with some surface spaces.	Parking is generally full basement under the building footprint, but may not be under all buildings.	Parking is generally full basement under the building footprint, but may not be under all buildings.
<b>External works</b>		Feature hard landscaping and higher specification courtyards.	The external works will feature more hard landscaping (e.g., paving, stone) throughout, with more public thoroughfares.	The external works will feature more hard landscaping (e.g., paving stone) throughout, with more public thoroughfares.

# APPENDIX 2

DETAILED BREAKDOWN OF CONSTRUCTION COSTS ACROSS APARTMENT CATEGORIES

RESIDENTIAL APARTMENT CATEGORIES	SECTION 1: CONSTRUCTION COST (ONLY) OF TWO-BED APARTMENT					
	Category 2 Suburban medium rise; 3-6 st.		Category 3 Urban medium rise; 5-8 st.		Category 4 Urban medium rise; 9-15 st.	
						
	<b>Average construction cost range (excl. VAT, parking and siteworks)</b>					
	€2,700-€3,200/m <sup>2</sup> €251-€297/ft <sup>2</sup>		€2,600-€3,250/m <sup>2</sup> €242-€302/ft <sup>2</sup>		€2,750-€3,150+/m <sup>2</sup> €255-€293/ft <sup>2</sup>	
Building element	Description	€/m <sup>2</sup>	Description	€/m <sup>2</sup>	Description	€/m <sup>2</sup>
Substructure (basements included in parking below; costs vary due to ground bearing vs over basement)	Concrete slab over undercroft parking (priced below); foundations to part	75-250	Transfer slab over full basement (priced below)	65-300	Transfer slab over full basement (priced below)	75-200
Structure	Mainly concrete frame; concrete cores; precast floors with screed; flat precast concrete roof; blockwork external walls; lightweight steel to setback top floors	900-975	Concrete framed structure; concrete cores; precast floors with screed; flat precast concrete roof; concrete walls externally; lightweight steel to setback top floors	700-1,100	Concrete framed structure; concrete cores; in situ floors and roof; concrete walls externally; lightweight steel to setback top floors	825-1,250
Internal walls and doors	Internal stud partitions; regular door sets; timber/steel balustrades	210-380	Internal stud partitions; regular door sets; steel balustrades	125-315	Internal stud partitions; regular door sets; steel balustrades	185-345
External wall envelope	Some plastered blockwork; mainly brick; aluminium windows; plant-on balconies	145 - 330	Stone/brick/precast to façade; some curtain walling; aluclad screens/windows; recessed balconies	230 - 480	Stone/brick/precast to façade; more unitised facades; some curtain walling; aluclad screens/windows; recessed balconies	130-500
Roof enclosure	Flat roof with membrane; some decorative elements to roof, e.g., overhangs; rooflights	65-140	Flat roof with membrane; lead/zinc elements; overhangs; feature elements; roof glazing	60-150	Flat roof with membrane; lead/zinc elements; overhangs; courtyards; feature elements; roof glazing	60-120



Continued:

RESIDENTIAL APARTMENT CATEGORIES	SECTION 1: CONSTRUCTION COST (ONLY) OF TWO-BED APARTMENT					
	Category 2 Suburban medium rise; 3-6 st.		Category 3 Urban medium rise; 5-8 st.		Category 4 Urban medium rise; 9-15 st.	
Internal finishes	Acoustic floor underlay; carpet to circulation areas; finishes to living and bedroom areas; tiling to bathroom and kitchen; plasterboard ceilings; painting throughout	140-240	Acoustic floor underlay; carpet to circulation areas; finishes to living and bedroom areas; tiling to bathroom and kitchen; plasterboard ceilings; painting throughout	250-330	Acoustic floor underlay; carpet to circulation areas; finishes to living and bedroom areas; tiling to bathroom and kitchen; bathroom and kitchen; plasterboard ceilings; painting throughout	230-500
Fittings and equipment	Higher allowances for kitchens, wardrobes and sanitary fittings; white goods; FF&E in higher range; bathroom pods; possible 1 x en suite (two-bed)	90-290	Higher allowances for kitchens, wardrobes, sanitary fittings and white goods; FF&E in higher range; bathroom pods; 1 x en suite (two-bed)	90-220	Higher allowances for kitchens, wardrobes, sanitary fittings and white goods; FF&E in higher range; bathroom pods; 1 x en suite (two-bed)	70-170
Mechanical and electrical services	Range includes electric, heat pumps and centralised M&E; sprinklered	500-670	Range includes electric, heat pumps and centralised M&E; sprinklered	530-700	Range includes electric, heat pumps and centralised M&E; sprinklered	480-760
Preliminaries	Preliminaries range from 12-19%	388-583	Preliminaries range from 13-22%	404-643	Preliminaries range from 14-22%	419-631
Parking and siteworks (average costs)	€419-€915/m <sup>2</sup> €39-€85/ft <sup>2</sup>		€335-€763/m <sup>2</sup> €31-€71/ft <sup>2</sup>		€284-€693/m <sup>2</sup> €26-€64/ft <sup>2</sup>	
Car parking (0.4 per apt to 0.8 per apt.)	Simple undercroft-type basement; normal ground conditions; no abnormals; assume 0.8 spaces per unit as suburban; other surface spaces in siteworks	254-475	Full basement; piled; reasonable ground conditions; NO contamination or extensive rock/water; assume 0.6 spaces per unit	264-378	Full basement; piled; reasonable ground conditions; NO contamination or extensive rock/water; assume 0.4 spaces per unit	196-308
External siteworks and landscaping	Site services and drainage; grass, tarmac, precast paving; elements of decorative hard landscaping; paving to footpaths	165-440	Urban hard landscaping throughout; features to landscaping (taller buildings, therefore less landscaping per apartment)	71-385	Urban hard landscaping throughout; features to landscaping (taller buildings therefore less landscaping per apartment)	88-385

# APPENDIX 3

## DETAILED BREAKDOWN OF SOFT COSTS ACROSS THE APARTMENT BLOCK CATEGORIES

RESIDENTIAL APARTMENT CATEGORIES	Category 2 Suburban medium rise; 3-6 st. 	Category 3 Urban medium rise; 5-8 st. 	Category 4 Urban medium Rise; 9-15 St.) 
TOTAL CONSTRUCTION COSTS INCL. SITEWORKS AND PARKING (EXCL. VAT)	€3,119-€4,115/m <sup>2</sup> €290-€382/ft <sup>2</sup>  COST RANGE PER UNIT LOWER -> HIGHER	€2,935-€4,013/m <sup>2</sup> €273-€373/ft <sup>2</sup>  COST RANGE PER UNIT LOWER -> HIGHER	€3,034 - €3,843+/m <sup>2</sup> €282 - €357/ft <sup>2</sup>  COST RANGE PER UNIT LOWER -> HIGHER
<b>Construction cost range</b>	Construction cost range for two-bed apartment (91m <sup>2</sup> gross floor area) 284,000. - 374,000	Construction cost range for two-bed apartment (91m <sup>2</sup> gross floor area) 267,000. - 365,000	Construction cost range for two-bed apartment (91m <sup>2</sup> gross floor area) 276,000. - 350,000
<b>Non-construction costs</b>			
<b>Site cost</b>	The site cost is a large variable from site to site. A notional range has been included based on advice from SCSi sales agents. 50,000. - 55,000	The site cost is a large variable from site to site. A notional range has been included based on advice from SCSi sales agents. 55,000 - 65,000	The site cost is a large variable from site to site. A notional range has been included based on advice from SCSi sales agents. 55,000. - 65,000
<b>Statutory fees and contributions</b>	20,400 - 20,400 Note special S.49 levies can exceed this figure and are excluded from this example.	20,000. - 20,000 except DCC used. Assume LUAS contribution included (€2,000)	Same as Category 1 20,000 - 20,000 except DCC used. Assume LUAS contribution included (€2,000)
<b>Professional fees</b>	Assume 8% 24,000 - 30,000	Assume 8% 21,000 - 29,000	Assume 8% 22,000 - 28,000
<b>Sales, marketing and legals</b>	Assume standard market percentage fees for these items 12,000 - 13,000	Assume standard market percentage fees for these items 14,000 - 14,000	Assume standard market percentage fees for these items 14,000 - 16,000
<b>Development finance</b>	Assume 7% senior debt for 75%, and 12% rate for equity plus costs 31,000 - 37,000	Assume 7% senior debt for 75%, and 12% rate for equity plus costs 31,000 - 39,000	Assume 7% senior debt for 75%, and 12% rate for equity plus costs 32,000 - 38,000

## Real Cost of New Apartment Delivery 2025

Contingency	Allow 3% on costs	10,000	-	13,000	Allow 3% on costs	9,000	-	12,000	Allow 3% on costs	9,000	-	2,000
VAT	VAT is deducted from the sales price below.				VAT is deducted from the sales price below.				VAT is deducted from the sales price below.			
<b>TOTAL DEVELOPMENT COSTS</b>	<b>(a)</b>	<b>431,400</b>	<b>-</b>	<b>542,400</b>	<b>(a) 417,000 - 544,000</b>	<b>(a) 428,000 - 529,000</b>						
SALES PRICE FOR TWO-BED		480,000	-	525,000		550,000	-	575,000		575,000	-	650,000
DEDUCT VAT (13.5% INCL.)		= (57,093)	-	(62,445)		(65,419)	-	(68,392)		(68,392)	-	(77,313)
<b>NET SALES PRICES</b>	<b>(b)</b>	<b>422,907</b>	<b>-</b>	<b>462,555</b>	<b>(b)</b>	<b>484,581</b>	<b>-</b>	<b>506,608</b>	<b>(b)</b>	<b>506,608</b>	<b>-</b>	<b>572,687</b>
Development margin/risk	<b>(b)</b> <b>- (a)</b>	<b>(8,493)</b> <b>(2%)</b>	<b>-</b>	<b>(79,845)</b> <b>(15%)</b>	<b>(b)</b> <b>- (a)</b>	<b>67,581</b> <b>16%</b>	<b>-</b>	<b>(37,392)</b> <b>(7%)</b>	<b>(b)</b> <b>- (a)</b>	<b>78,608</b> <b>18%</b>	<b>-</b>	<b>43,687</b> <b>8%</b>
<b>GOVERNMENT INTERVENTIONS</b>												
1. VAT reduction to 9%	Reduced VAT on sales	17,000	-	19,000	Reduced VAT on sales	20,000	-	21,000	Reduced VAT on sales	21,000	-	24,000
2. Croí Cónaithe (Dublin)	Croí Cónaithe	53,653		105,727	Croí Cónaithe	n/a		94,842	Croí Cónaithe	n/a		8,063
* New Apartment Guidelines are explored in the case study												
<b>Revised development margin/risk</b>		<b>62,160</b> <b>15%</b>	<b>-</b>	<b>44,882</b> <b>9%</b>	<b>(b)</b> <b>- (a)</b>	<b>87,581</b> <b>22%</b>	<b>-</b>	<b>78,450</b> <b>15%</b>	<b>(b)</b> <b>- (a)</b>	<b>99,608</b> <b>24%</b>	<b>-</b>	<b>75,750</b> <b>15%</b>
<b>AFFORDABILITY</b>												
Joint gross salary required (assumes 10% deposit)	Joint income; €108k 10% deposit; Dublin; x4 salary	€108k	-	€118k	Dual income; 10% deposit; Dublin; x4 salary	€124k	-	€129k	Dual income; 10% deposit; Dublin; x4 salary	€129k	-	€146k
Assume 10% Help to Buy (used to aid deposit)	Help to Buy	€8k*	-	€0k	Help to Buy	€0k	-	€0k	Help to Buy	€0k	-	€0k
First Home Scheme (<€500k only (Dublin); 30% max; 20% max with Help to Buy)	First Home Scheme	€24k	-	€0k	First Home Scheme	€0k	-	€0k	First Home Scheme	€0k	-	€0k
<b>Revised joint salary required</b>	Revised joint salary	<b>€84k</b>	<b>-</b>	<b>€118k</b>	Revised joint salary	<b>€124k</b>	<b>-</b>	<b>€129k</b>	Revised joint salary	<b>€129k</b>	<b>-</b>	<b>€146k</b>

\*Does not get taken off the joint income required, goes to support the first time buyer towards the deposit.

# APPENDIX 4

## COSTS COMPARISON BETWEEN 2021 AND 2024 FULL BREAKDOWN

FIGURE 22: Total hard costs associated with a new two-bedroom apartment (excl. VAT) between 2021 and 2025 for each category (lower cost range).

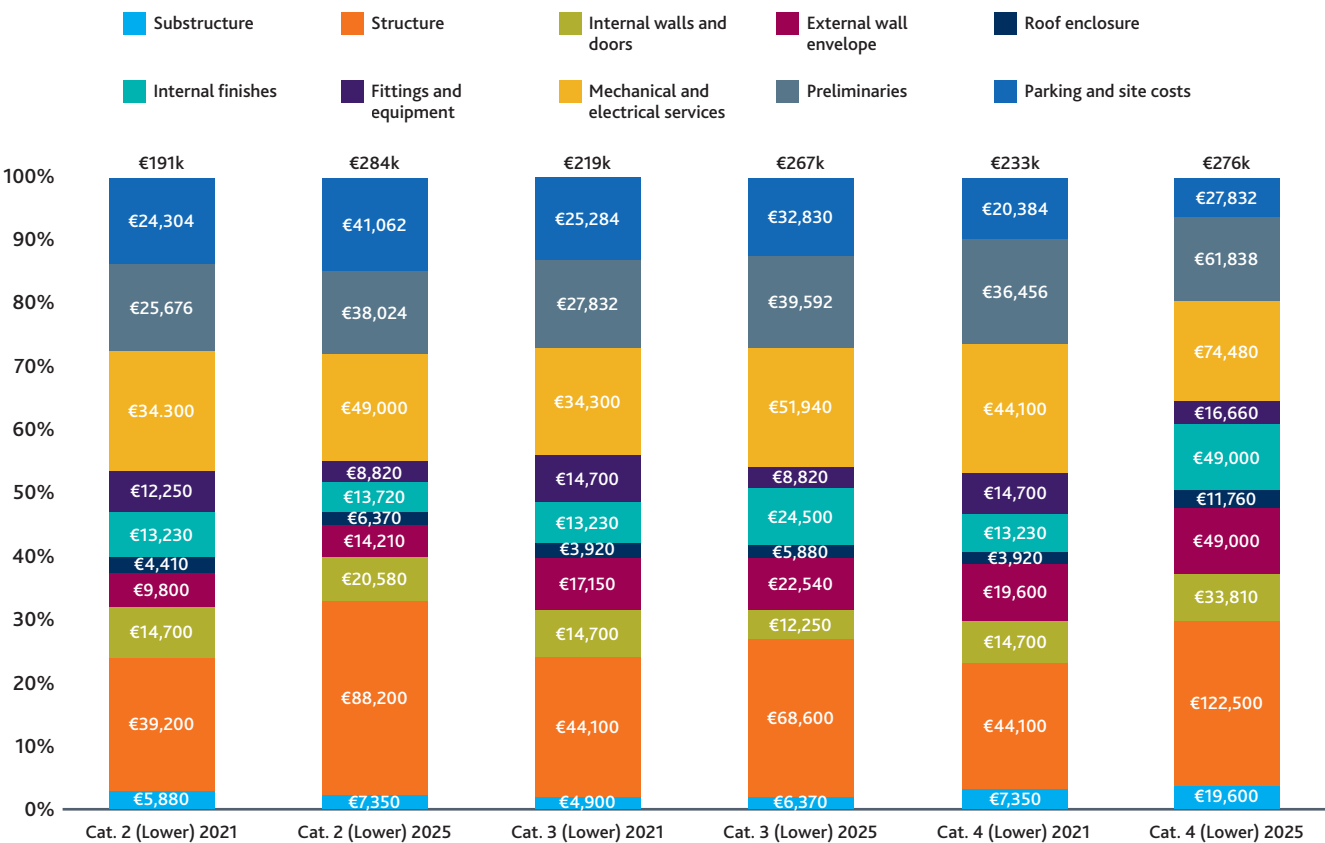
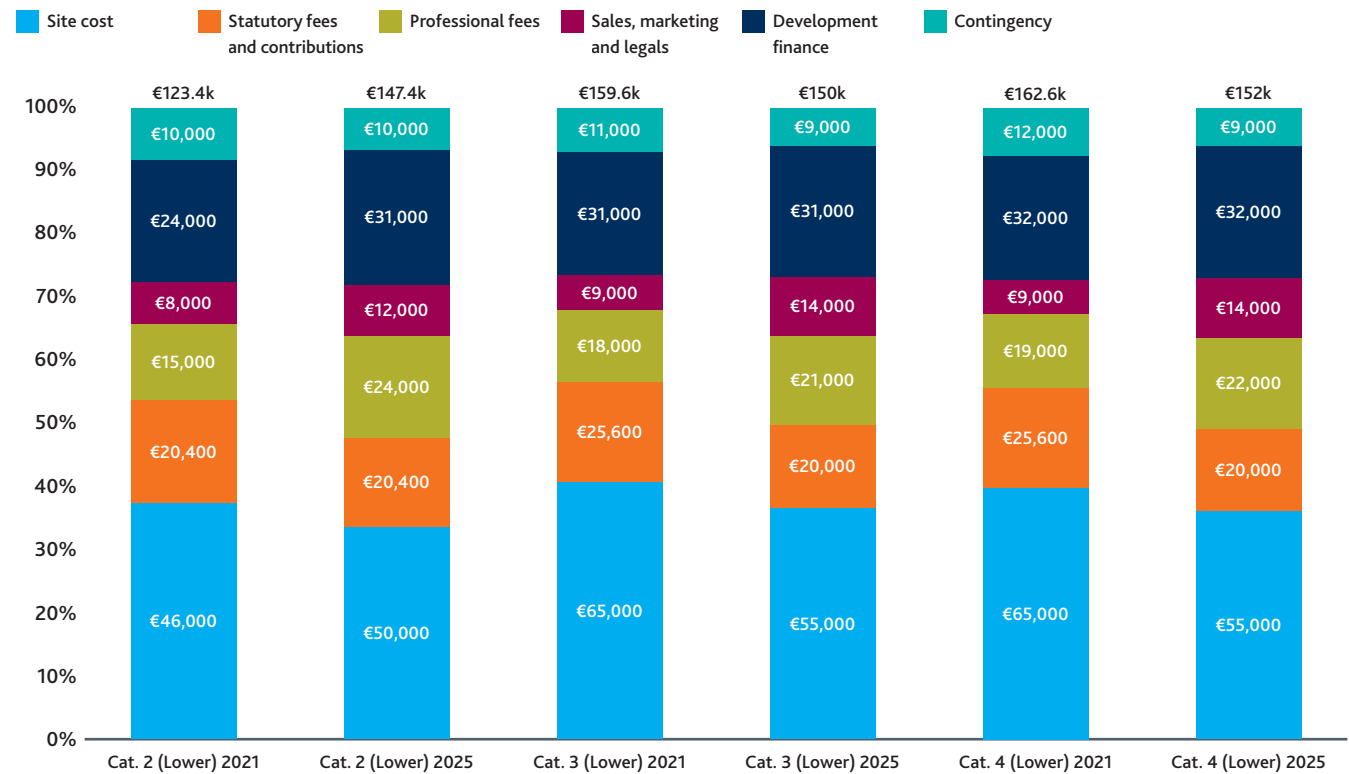


FIGURE 23: Total soft costs associated with a new two-bedroom apartment (excl. VAT) between 2021 and 2025 for each category (lower cost range).





Society of Chartered Surveyors Ireland  
38 Merrion Square, Dublin 2, Ireland  
Tel: + 353 (0)1 644 5500  
Email: [info@scsi.ie](mailto:info@scsi.ie)  
[www.scsi.ie](http://www.scsi.ie)