



Part V Costs and Methodology

Proposed Strategic Housing Development at the Former
Tedcastles Site, Centre Park Road, Cork

Tiznow Property Company Limited (Comer Group Ireland)

April 2022

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Introduction

Part V, s.96 of the Planning and Development Act 2000 (as amended) applies to this application. New provisions relating to Part V under the Urban Regeneration and Housing Act 2015 were formally enacted on 1st September 2015. The applicants propose to fulfill their Part V obligations through the granting of a 30 year lease for 10% of the housing units to the Planning Authority, Approved Housing Body (AHB) or persons nominated by the authority. This has been accepted in principle by Cork City Council.

In addition to the above, Section 3 of the Housing Circular 28/2021 on Affordable Housing Act 2021 – Amendments to Part V of the Planning and Development Act 2000 states that *“The increase in the Part V contribution from ‘up to 10%’ for social housing purposes to a mandatory 20%, of which at least half must be for social housing purposes and the balance can be applied to affordable and/or cost rental housing purposes, will immediately affect only new grants of planning permission in respect of sites purchased before 1 September 2015 or after 31 July 2021.”*

The lands subject to this application were purchased in July 2018 therefore a 10% Part V provision is required.

Part V Proposal

The 83 no. units the Planning Authority, Approved Housing Body or persons nominated by the authority are to be granted a 30 year lease over (being 10% of the total number of 823 no. housing units proposed) are highlighted on the attached Part V drawings prepared by C + W O’Brien Architects.

Breakdown of Units

These units consist of 12 x 3 bed, 42 x 2 bed and 29 x 1-bed and are highlighted on accompanying drawings and Part V Housing Quality Assessment prepared by C+W O’Brien Architects.

Estimated Costs, Calculations & Methodology of Part V Proposal

The total costs of the 83 no. units to be leased is considered to be € 22,061,410 and is calculated as follows

Unit Typologies	Average Unit Size (sq. m)	# Units	Cost per unit	Total Cost
One Bed	47.12	29	176,563	4,943,764
Two Bed	80.29	42	300,415	12,617,430
Three Bed	100.27	12	375,018	4,500,216
		83		22,061,410

In terms of estimating the costs and the methodology for the proposed lease over the 103 no. units Circular PL 10/2015 and Housing Circular 36/2015 specifies that the estimated cost of the Part V proposal should be reflected in terms of the estimated total amount to be discounted from the combined monthly lease rent for the units.

Circular PL 10/2015 and Housing Circular 36/2015 indicates that the calculations/methodology for this discount should

- reflect the responsibilities taken on by the planning authority under the lease; and
- is no less beneficial to the planning authority than if the Part V requirement were fulfilled by means of the transfer of land under paragraph 3(a) of section 96 of the Act.

Under the lease to be granted the Planning Authority will not be required to take on any responsibilities and the overall development will be managed by the applicants or persons nominated by them.

In terms of the value of the discount the Circular specifies that this needs to be *'no less than the "net monetary value" of the land in question, that is, the market value of the land to be transferred on the day that planning permission is granted, less the existing use value of the land on that date'*.

Value of Discount

The *"net monetary value"* or value of the discount is calculated to be as follows

Net Monetary Value Per Unit	€
Market Value of Land	15,000
Less	
Existing Use Value of Land	2,617
Net Monetary Value / Value of Discount	12,383

The calculation of the value of a discount to be applied to the combined monthly lease in accordance with the methodology outlined in Circular PL 10/2015 and Housing Circular 36/2015 is deemed to be €1,027,789 or €12,383 per unit

The above is the applicants initial Part V proposal and they remain willing to engage closely with Cork City Council or an Approved Housing Body in coming to a mutual agreement on the best way to discharge their Part V obligations.

Tiznow Property Company Limited (Comer Group Ireland) - Part V Residential Costs Methodology April 2022

	sq m/ ha
1 Bedroom Apartment Cost Summary	
Average Apartment Size	47.12
No. of Units	29
Total No. of Units on site	823
Total Site Area	4.86
Assumed Costs	
Construction Cost (per sq m) [1]	2,150
Site Works Cost (per sq m)	290
Existing Use Value of land (per ha) [3]	49,400
	€
Construction Costs (excluding Construction Profit)	
Estimated Construction Cost as per unit	101,308
Estimated Site Works & Servicing Costs per unit	13,665
Sub Total	114,973
Attributable Development Costs @ 22.5% of Apartment Construction Costs [4]	22,794
Design Team Fees	
Legal & Estate Agents Fees	
Marketing Costs	
Other Costs (specify)	
Profit on construction costs, but not attributable development costs @15%	17,246
Sub-total ex-VAT	40,040
Site Cost per unit (existing use value[4]) Site Area / Units	292
Apartment & Land Cost - (Ex VAT)	155,305
VAT@ 13.5%	20,966
Total Cost (inc. VAT) but excluding Development Contributions / Local Authority Bonds [5]	176,563

[1] This is based on cost range of RIAI Average Irish Construction Costs 2019. Cost range for estate house (average 100sq m) is €1,250 to €1,600 per sq m; Cost range for apartments is €1,800 to €2,500 per sq m.

[2] Based on an assumption of 45% of house construction unit costs. Informed by report prepared on behalf of the Irish Home Builders Association, July 2014, prepared by Walsh Associates, including External Works, Site Development Works and Indirect Site Costs (scaffolding; site security etc. & building contingency of c.3.8% for unforeseen items)

[3] Based on assumption of €20k per acre / €49,400 per ha for agricultural land, or submitted existing use value for brownfield land.

[4] Based on an assumption of 22.5% of construction unit costs. Informed by report prepared on behalf of the Irish Home Builders Association, July 2014, prepared by Walsh Associates. **(Includes:** Marketing Costs; Legal & Sale fees; Site & Building Finance costs; and Assigned Certifier Bldg Control Regs; **Excludes:** Financial Contributions, LA Bonds & Part V Contribution).

[5] Development Contributions & LA Bond will be as levied by the Planning Authority, plus VAT.

[6] To be informed by site specific information - example based on Agricultural Land Value

Tiznow Property Company Limited (Comer Group Ireland) - Part V Residential Costs Methodology April 2022

2 Bedroom Apartment Cost Summary	sq m/ ha
Average Apartment Size	80.29
No. of Units	42
Total No. of Units on site	823
Total Site Area	4.86
Assumed Costs	
Construction Cost (per sq m) [1]	2,150
Site Works Cost (per sq m)	290
Existing Use Value of land (per ha) [3]	49,400
	€
Construction Costs (excluding Construction Profit)	
Estimated Construction Cost as per unit	172,624
Estimated Site Works & Servicing Costs per unit	23,284
Sub Total	195,908
Attributable Development Costs @ 22.5% of Apartment Construction Costs [4]	38,840
Design Team Fees	
Legal & Estate Agents Fees	
Marketing Costs	
Other Costs (specify)	
Profit on construction costs, but not attributable development costs @15%	29,386
Sub-total ex-VAT	68,226
Site Cost per unit (existing use value[4]) Site Area / Units	292
Apartment & Land Cost - (Ex VAT)	264,426
VAT@ 13.5%	35,697
Total Cost (inc. VAT) but excluding Development Contributions / Local Authority Bonds [5]	300,415

[1] This is based on cost range of RIAI Average Irish Construction Costs 2019. Cost range for estate house (average 100sq m) is €1,250 to €1,600 per sq m; Cost range for apartments is €1,800 to €2,500 per sq m.

[2] Based on an assumption of 45% of house construction unit costs. Informed by report prepared on behalf of the Irish Home Builders Association, July 2014, prepared by Walsh Associates, including External Works, Site Development Works and Indirect Site Costs (scaffolding; site security etc. & building contingency of c.3.8% for unforeseen items)

[3] Based on assumption of €20k per acre / €49,400 per ha for agricultural land, or submitted existing use value for brownfield land.

[4] Based on an assumption of 22.5% of construction unit costs. Informed by report prepared on behalf of the Irish Home Builders Association, July 2014, prepared by Walsh Associates. **(Includes:** Marketing Costs; Legal & Sale fees; Site & Building Finance costs; and Assigned Certifier Bldg Control Regs; **Excludes:** Financial Contributions, LA Bonds & Part V Contribution).

[5] Development Contributions & LA Bond will be as levied by the Planning Authority, plus VAT.

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Tiznow Property Company Limited (Comer Group Ireland) - Part V Residential Costs Methodology April 2022

3 Bedroom Apartment Cost Summary	sq m/ ha
Average Apartment Size	100.27
No. of Units	12
Total No. of Units on site	823
Total Site Area	4.86
Assumed Costs	
Construction Cost (per sq m) [1]	2,150
Site Works Cost (per sq m)	290
Existing Use Value of land (per ha) [3]	49,400
	€
Construction Costs (excluding Construction Profit)	
Estimated Construction Cost as per unit	215,581
Estimated Site Works & Servicing Costs per unit	29,078
Sub Total	244,659
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Attributable Development Costs @ 22.5% of Apartment Construction Costs [4]	48,506
Design Team Fees	
Legal & Estate Agents Fees	
Marketing Costs	
Other Costs (specify)	
Profit on construction costs, but not attributable development costs @15%	36,699
Sub-total ex-VAT	85,204
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Site Cost per unit (existing use value[4]) Site Area / Units	292
Apartment & Land Cost - (Ex VAT)	330,155
VAT@ 13.5%	44,571
Total Cost (inc. VAT) but excluding Development Contributions / Local Authority Bonds [5]	375,018

[1] This is based on cost range of RIAI Average Irish Construction Costs 2019. Cost range for estate house (average 100sq m) is €1,250 to €1,600 per sq m; Cost range for apartments is €1,800 to €2,500 per sq m.

[2] Based on an assumption of 45% of house construction unit costs. Informed by report prepared on behalf of the Irish Home Builders Association, July 2014, prepared by Walsh Associates, including External Works, Site Development Works and Indirect Site Costs (scaffolding; site security etc. & building contingency of c.3.8% for unforeseen items)

[3] Based on assumption of €20k per acre / €49,400 per ha for agricultural land, or submitted existing use value for brownfield land.

[4] Based on an assumption of 22.5% of construction unit costs. Informed by report prepared on behalf of the Irish Home Builders Association, July 2014, prepared by Walsh Associates. **(Includes:** Marketing Costs; Legal & Sale fees; Site & Building Finance costs; and Assigned Certifier Bldg Control Regs; **Excludes:** Financial Contributions, LA Bonds & Part V Contribution).

[5] Development Contributions & LA Bond will be as levied by the Planning Authority, plus VAT.

[6] To be informed by site specific information - example based on Agricultural Land Value



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TIZNOW LIMITED
(a Comer Group Ireland Company)

RE: Tedcastles & Cork Warehouse lands Centre Park Road Cork.

To Whom it may concern.

I wish to confirm the following purchase dates as Director of Tiznow Limited the owner of the above-named lands.

Tedcastles was purchased on the 26th June 2018
Cork Warehouse was purchased on the 13th July 2018

Yours sincerely,



Barry Comer
Director
Tiznow Limited

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