

# Advisory Report

**Address:** **Former Vita Cortex Site**  
**Kinsale Road,**  
**Cork**

**Prepared for:** **BML Duffy Property**  
**Group Limited**

**Report Date:** **10<sup>th</sup> April 2025**

**Sherry  
FitzGerald**  

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**COMMERCIAL**

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## **EXECUTIVE SUMMARY**

### **Introduction**

This report sets out the market context for the proposed development on the Former Vita Cortex Site, Kinsale Road, Cork.

### **Overview**

- The site comprises a brownfield infill site which extends to approximately 1.2 hectares (2.97 acres).
- The site is situated in Ballyphehane an established residential suburb approximately 2km south of Cork city centre.
- Ballyphehane is situated in Cork City South Central which has a population of 41,000 (2022).
- It is well located in close proximity to a range of amenities which include schools, third level institutes, hospitals, shops & parks
- The site is situated on a bus route serving routes 203 & 219, has convenient access to the South Link Road & the N40 South Ring Road and is within walking distance of the city centre.
- The proposed development comprises 170 no. residential units across 4 no. blocks ranging in height from 4 to 9 storeys. The development will include 8 no. 2 bed town houses, 4 no. 3 bed town houses, 51 no. 1 bed apartments, 76 no. 2 bed apartments and 31 no. 3 bed apartments.
- The proposed development will also include a commercial element comprising a creche, café and 4no. retail units.
- A new pedestrian route is proposed which will connect Kinsale Road with Pearse Road.

## LOCATION

The subject site is situated in Ballyphehane approximately 2km south of Cork city centre. Ballyphehane is one of the oldest residential suburbs in Cork and is home to Virgin Media Park, which is Munster Rugby's official ground in Cork. Ballyphehane is situated in Cork City South Central which has a population of 41,000 (2022). The site has the benefit of dual frontage onto Pearse Road to the west and Kinsale Road to the east. The site has convenient access to the South Link Road and the N40 South Ring Road. The site is well served by public transport with bus routes 203 (Manor Farm to Parklands via St Patricks Street) & 219 (MTU to Mahon Point via Douglas) serving the property.

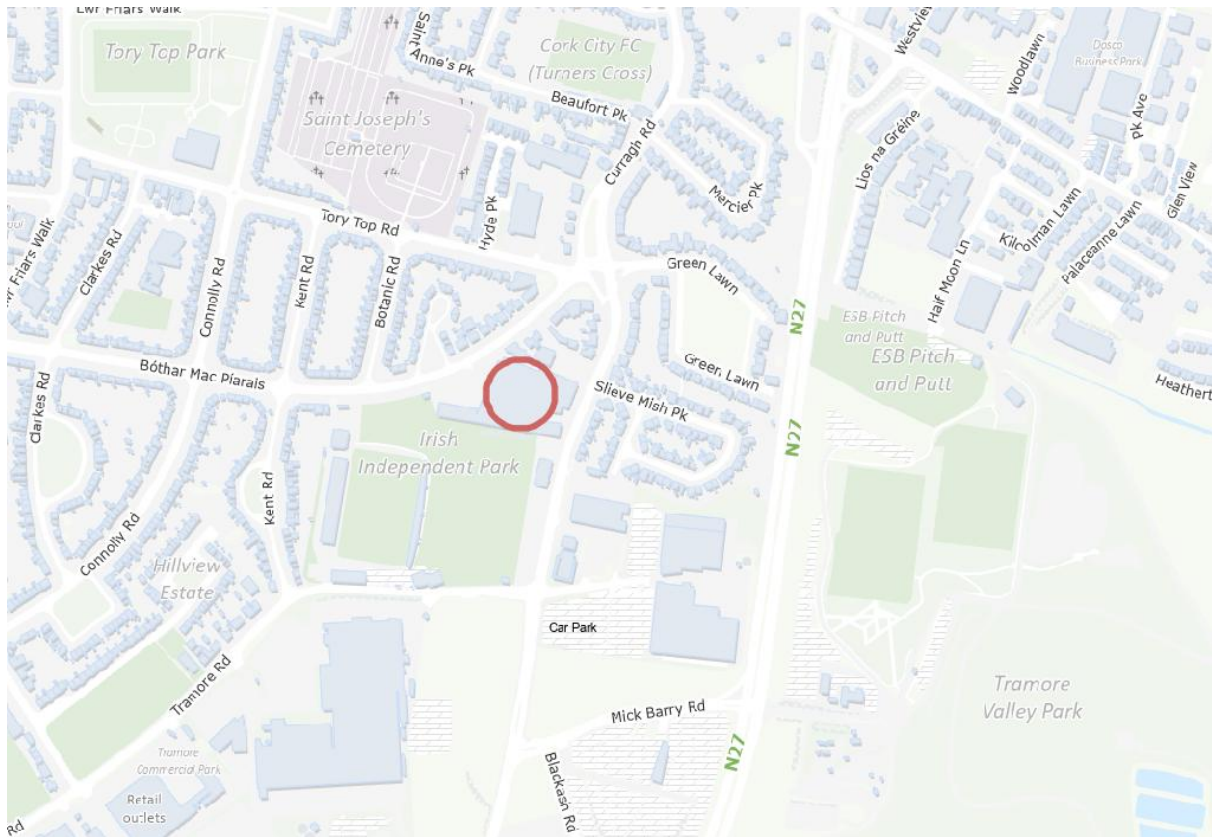
The site is situated within walking distance of local schools to include Gaelscoil an Teaghlaigh Naofa, Presentation Secondary School Ballyphehane, Maria Assumpta Catholic Pre-School, Morning Star National School, South Lee Educate Together National School & Christ King Girls Secondary School. Other local amenities in close proximity to the subject site include ALDI, Turners Cross Retail Park, Kinsale Road Retail Park & South Ring Business Park. Tramore Valley Park is within a 15 minute walk of the subject site. The park includes sports pitches, walking track, BMX track and recreation areas.

St Finbarr's Hospital, South Infirmary Victoria University Hospital, Mercy University Hospital, Bons Secours Hospital and Cork University Hospital are easily accessible from the subject site.

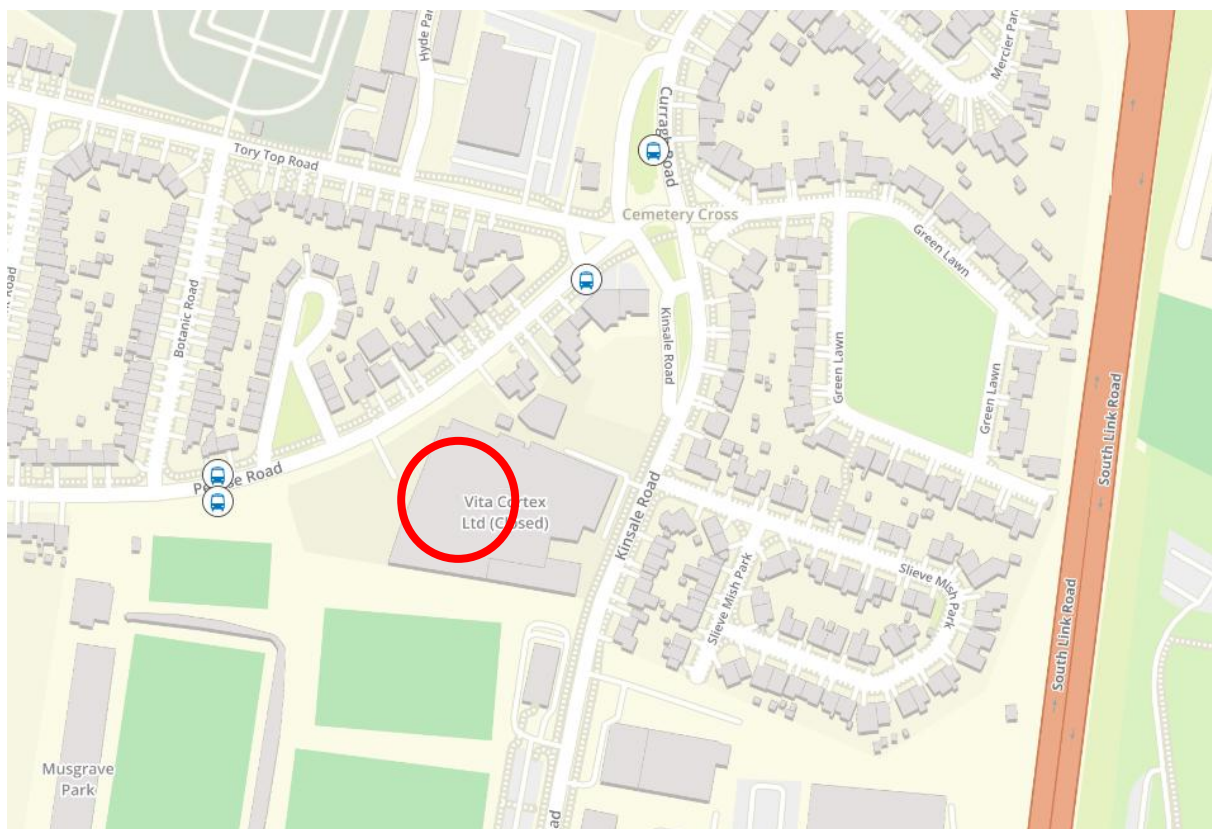
University College Cork is situated approximately 2km northwest of the site and Munster Technological University is situated approximately 5km northwest of the site.

Cork city is the second largest city in the Republic of Ireland and the population in the city is approx. 224,000 (Census 2022). Cork is the commercial capital of the south of Ireland and has a track record of attracting multinational/foreign direct investment. Cork is home to global market leaders in pharmaceuticals, healthcare, information and communications technology, biotechnology, professional and international financial services. Many of the world's largest corporate occupiers are located in the Cork region including Apple, Amazon, Dell EMC, IBM, Pfizer, GlaxosmithKline, McAfee, Lily, VM Ware, Marriott Group, Johnson and Johnson, Clearstream, Boston Scientific, Stryker, Pepsi and Gilead.

Former Vita Cortex Site, Kinsale Road, Cork  
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Source- MyPlan.ie



Source TFI - Blue Stops = Bus



## DESCRIPTION

The subject site comprises a brownfield infill site which extends to approximately 1.2 hectares (2.97 acres). The site is bounded to the west by Pearse Road, to the north by commercial/residential properties, to the east by Kinsale Road and to the south by a proposed Part 8 development and Virgin Media Park.

The proposed development will comprise 170no. residential units across 4no. blocks ranging in height from 4 to 9 storey. The development will include 8no. 2 bed town houses, 4no. 3 bed town houses, 51no. 1 bed apartments, 76no. 2 bed apartments and 31 no. 3 bed apartments. The proposed development will also include a commercial element comprising a creche, café and 4no. retail units.



*For illustration purposes only- Subject Site*



*For illustration purposes only- Proposed Development*



The master plan for the proposed development includes the integration of the development into the local community by creating new active street frontage to Kinsale Road with retail units at ground floor level with residential accommodation overhead.

It is proposed to create a new plaza and open space at the centre of the development and a new pedestrian public route is proposed which will connect Kinsale Road with Pearse Road which will benefit footfall for the retail units and integrate the development into the local community.



*For illustration purposes only- Proposed Development*

## ACCOMMODATION

We have been provided with the proposed accommodation mix for the subject development.

The proposed accommodation mix:

Block	2 Bed Town Houses	3 Bed Town Houses	1 Bed Apartments	2 Bed Apartments	3 Bed Apartments	Total
Block 1	4	2	8	16	0	30
Block 2	4	2	8	8	8	30
Block 3	0	0	24	22	15	61
Block 4	0	0	11	30	8	49
<b>Total</b>	<b>8</b>	<b>4</b>	<b>51</b>	<b>76</b>	<b>31</b>	<b>170</b>

## ZONING



Planning policy for the area is extracted from the Cork City Development Plan 2022-2028. The subject property is located in the area zoned 'ZO 08, Neighbourhood and Local Centres'. The zoning objective is to protect, provide for or improve local facilities.

The development plan states that Neighbourhood and Local Centres should include residential uses, particularly at higher densities that contribute to sustainable compact growth.



### Surrounding Planning Applications

We have carried out an online search of the Cork City Council Planning website and note the following schemes that have been granted planning permission in the surrounding area:

#### Residential Development on Kinsale Road, Cork

Application Number	Part 8 Application
Address	Kinsale Road, Cork
Applicant	Cork City Council
Development	The proposed development will include the demolition of existing structures and the construction of 39no. dwellings in 1no. five storey block comprising 24no. 1 bedroom apartments and 15no. 2 bedroom apartments.
Comments	Adjoining the subject site.

#### Creamfields Kinsale Road & Tramore Road, Cork

Application Number	312866
Address	Creamfields Kinsale Road & Tramore Road, Cork
Applicant	Watfore Limited
Development	Construction of 609no. residential units (561no. apartments & 48no. townhouse apartments) comprising 189 one bed units, 338 two bed units, 48 three bed units, 34 four bed units and ancillary facilities arranged in 12no. buildings ranging in height from 1 to 15 storeys.
Status	16 <sup>th</sup> June 2022 Granted (Conditional)
Comments	Situated approximately 220m south of the subject site. Construction had not commenced at the date of this report.

#### Railway Gardens, South Link Road, Ballintemple, Cork

Application Number	ABP-311308-21
Address	Railway Gardens, South Link Road, Ballintemple, Cork
Applicant	Seamus & Evelyn Scally
Development	The amended permission comprises 112 units in 2no. connected blocks ranging in height from 4 to 17 storeys. The development comprises 57no. one bed apartments, 45no. two bed apartments, 5no. two bed duplex apartments & 5no. 3 bed duplex apartments.
Status	19 <sup>th</sup> July 2022 Granted (Conditional)
Comments	Situated approximately 2km north of the subject site. Construction had not commenced at the date of this report.

## MARKET ANALYSIS

### Demographics

#### Population Profile

The population of Co. Cork stood at approximately 584,156 at the time of the 2022 Census of Population, ranking Cork the second largest county in terms of population size. Cork City accounted for 224,004 of this. A comparison with 2016 reveals that the population of Co. Cork increased by 8% over the six-year period. Co. Cork saw the second largest nominal change (+41,288) over the period, behind only Dublin (+110,795).

**Table 1: Top 5 Counties by Nominal Population Change, 2016 vs 2022**

County	Population in 2016	Population in 2022	Change from 2016
Dublin	1,347,359	1,458,154	110,795
Cork	542,868	584,156	41,288
Meath	195,044	220,826	25,782
Kildare	222,504	247,774	25,270
Galway	258,058	277,737	19,679
<b>State</b>	<b>4,761,865</b>	<b>5,149,139</b>	<b>387,274</b>

Source: CSO

Co. Cork's population increase of 41,288 was made up of a 17,218 (42%) natural increase and a 24,070 (58%) increase in net migration. In comparison, the population increase for the State at 387,274 reflected a natural increase of 167,487 (43%) and a net migration increase of 219,787 (57%).

Cork County and Cork City<sup>1</sup> encompasses 15 Local Electoral Areas (LEA) which are mapped out below. Table 2 provides a breakdown of the population of each LEA.

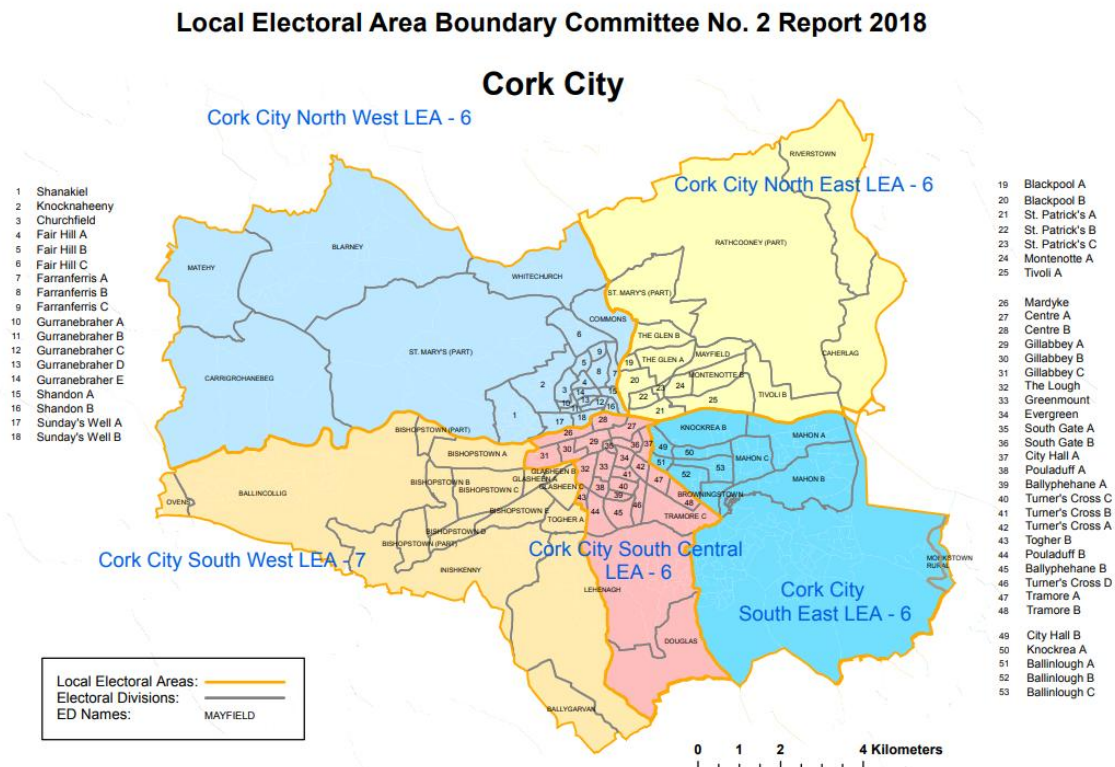
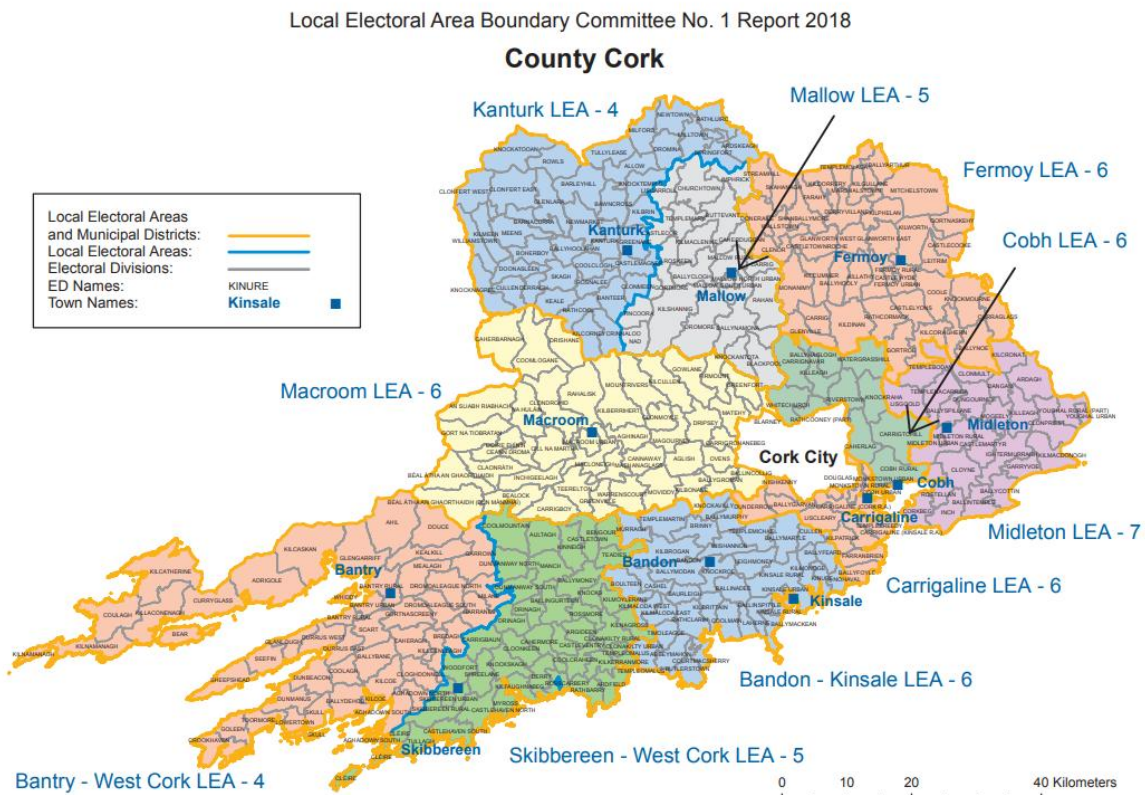
**Table 2: Cork County and Cork City Local Electoral Areas (LEA) Population 2022**

	LEA	Population
Cork City	Cork City South-West	51,063
	Cork City South-East	45,400
	Cork City North-East	44,235
	Cork City North-West	42,306
	Cork City South Central	41,000
Cork County	Midleton, Cork County	49,539
	Bandon-Kinsale, Cork County	40,387
	Macroom, Cork County	39,847
	Carrigaline, Cork County	39,145
	Fermoy, Cork County	38,935
	Cobh, Cork County	37,214
	Skibbereen-West Cork, Cork County	32,971
	Mallow, Cork County	31,507
	Kanturk, Cork County	26,577
	Bantry-West Cork, Cork County	24,030
	<b>Total</b>	<b>584,156</b>

Source: CSO

<sup>1</sup> For the purpose of this report, Cork County refers to the Cork County Council area. Cork City refers to the Cork City Council area. Co. Cork refers the full county (Cork County Council area and Cork City area).

**Figure 1: Cork County Council & Cork City Council Areas**



**Source:** Local Electoral Area Boundary Committee



Co. Cork is located in the NUTs 3 South-West region, alongside Co. Kerry. In 2022, the population of the South-West totalled 740,614. This region saw the fifth largest growth in population between 2016 and 2022 at 7.2%, equating to 50,039 individuals.

### **Aging Population**

- Ireland continues to see an aging population with the average age increasing to 38.8 years in April 2022 from 37.4 years in April 2016. In addition, the proportion of individuals aged 65 years and over increased by 22% over the six-year period to reach 776,315, with this age cohort representing 15.1% of the population in April 2022 compared to 13.4% in April 2016.
- Similarly in Co. Cork, the average age of the population increased over the period to reach 39.1 years in April 2022, from 37.5 years in April 2016.
- Co. Cork saw a 21% increase in the 65 years plus age group over the intercensal period to reach 89,461 in April 2022. The cohort accounted for 15.3% of the population in 2022 compared to 13.6% in 2016.

## Housing Housing Stock

In 2022, the total stock of housing in Co. Cork stood at 240,942. This represents an increase of 5% or 11,447 units since Census 2016. This is the largest nominal increase in housing stock in Ireland. Co. Kerry recorded a housing stock of 77,305, an increase of 4% or 3,211 units since 2016. This brings the total housing stock for the South-West region to 318,247 making it the second largest region in terms of housing stock behind only Dublin with 565,321 units.

**Table 3: Co. Cork Housing Stock, 2016 vs 2022**

County	Housing Stock, 2022	Change since 2016	% Change
Co. Cork	240,942	11,447	5%
South-West	318,247	14,658	5%
<b>State</b>	<b>2,112,121</b>	<b>108,476</b>	<b>5%</b>

Source: CSO

Since Census 2022, an additional 9,228 homes have been added to Co. Cork's housing stock, bringing the total stock to approximately 250,170, before accounting for homes that may have been removed via dereliction etc. Cork City accounted for 3,307 of completions since Q2 2022.

In the South-West region, 10,806 units completed construction since Census 2022 bringing the housing stock level in the region to approximately 329,053 in Q4 2024.

**Table 4: Breakdown of Co. Cork Completions by LEA, Q2 2022 to Q4 2024**

	LEA	Proportion
Cork City	Cork City North-East	10%
	Cork City South-West	8%
	Cork City South-East	7%
	Cork City North-West	6%
	Cork City South-Central	4%
Cork County	Carrigaline, Cork County	10%
	Midleton, Cork County	9%
	Cobh, Cork County	9%
	Bandon-Kinsale, Cork County	8%
	Macroom, Cork County	7%
	Fermoy, Cork County	5%
	Skibbereen-West Cork, Cork County	5%
	Mallow, Cork County	4%
	Kanturk, Cork County	4%
	Bantry-West Cork, Cork County	4%

Source: CSO

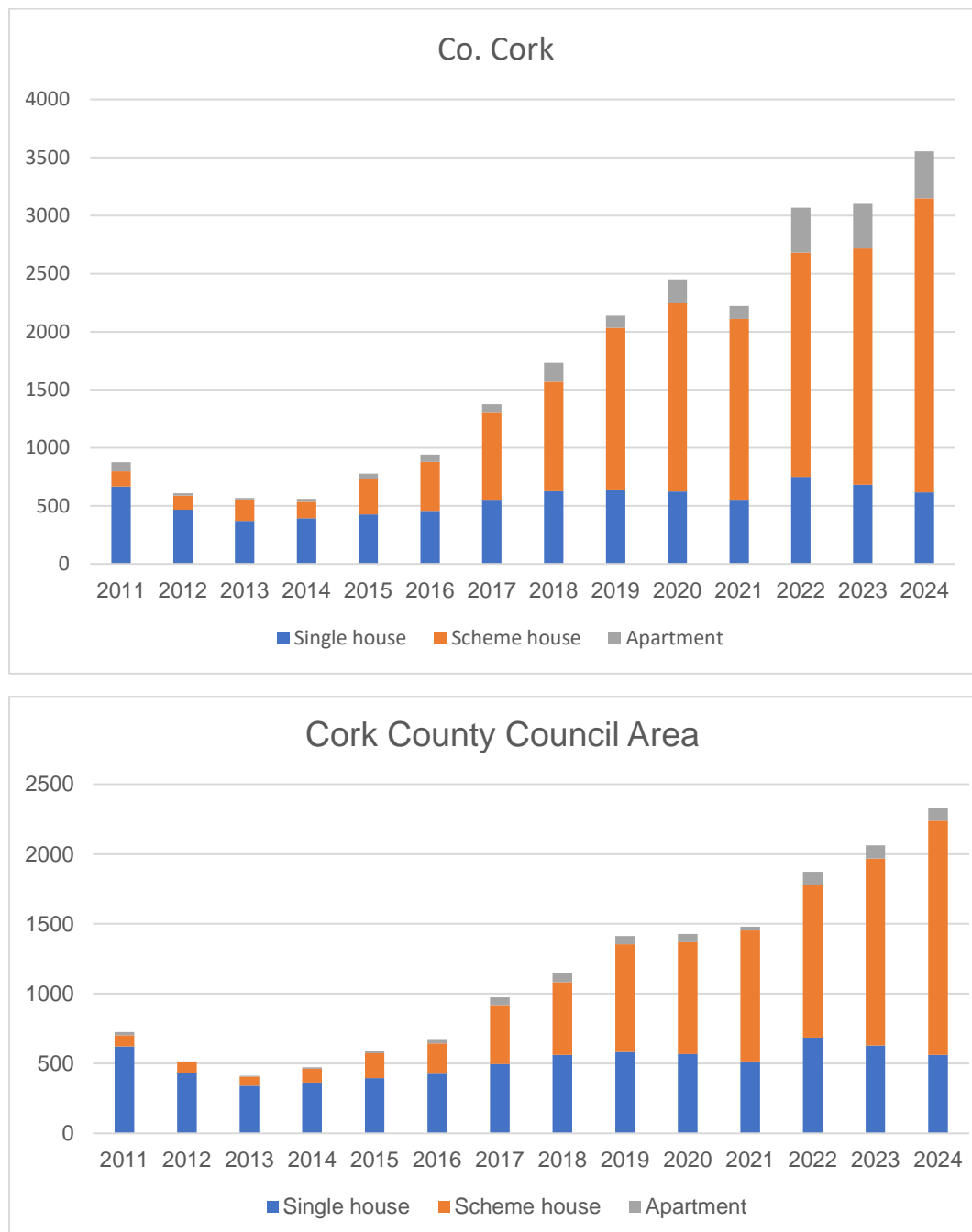
Cork City North-East and Carrigaline saw the highest number of completions between Q2 2022 and Q4 2024, together accounting for 20% of all new homes built in Co. Cork over the period. Bantry-West Cork, Kanturk, Mallow and Cork City South Central all made the smallest contributions to total completions at only 4% each.

Since the beginning of 2011, almost 23,978 new homes were developed in Co. Cork, with the majority of this taking place from 2017 onwards. The largest influx of dwellings has been in the form of scheme houses, which accounted for 59% of total completions. A further 33% comprised single homes while apartments made up the remaining 8%. Scheme home

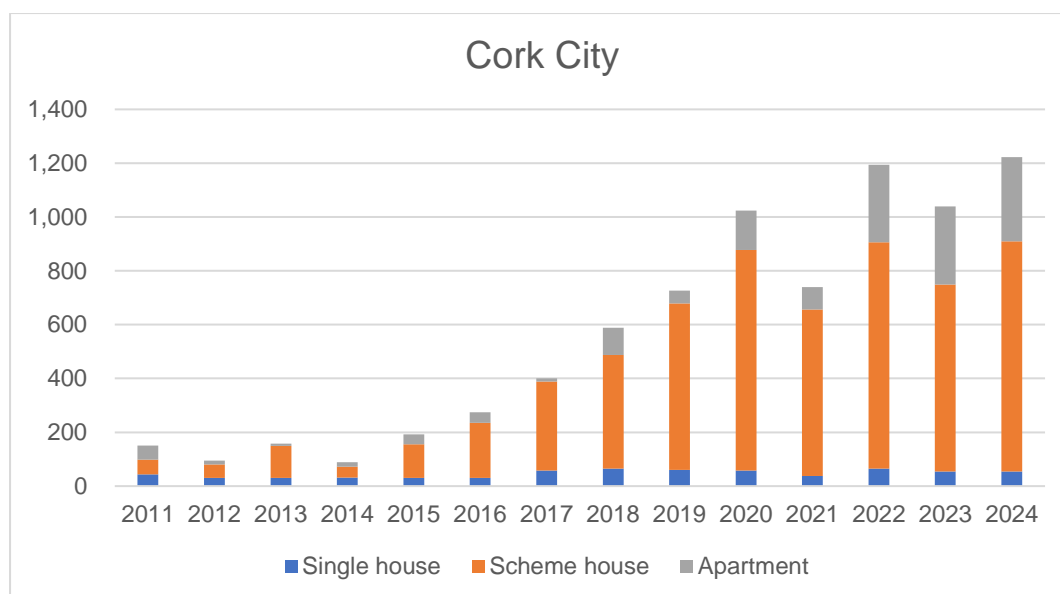
completions have gradually increased in proportion from 55% of total completions in 2017 to 71% in 2024. In contrast single home's proportion of total completions have steadily decreased from 40% in 2017 to 17% in 2024.

Cork City accounted for 7,894 new homes built between 2011 and 2024. This growth has been particularly pronounced since 2017. Scheme houses have dominated, accounting for 73% of all completions. Single homes represent 8%, while apartments have steadily increased, reaching 18% in 2024 compared to just 3% in 2017. In contrast, apartment development in the Cork County Council area has been minimal, accounting for only 4% of completions since 2011.

**Figure 2: Completions by Property Type, 2011 – 2024**



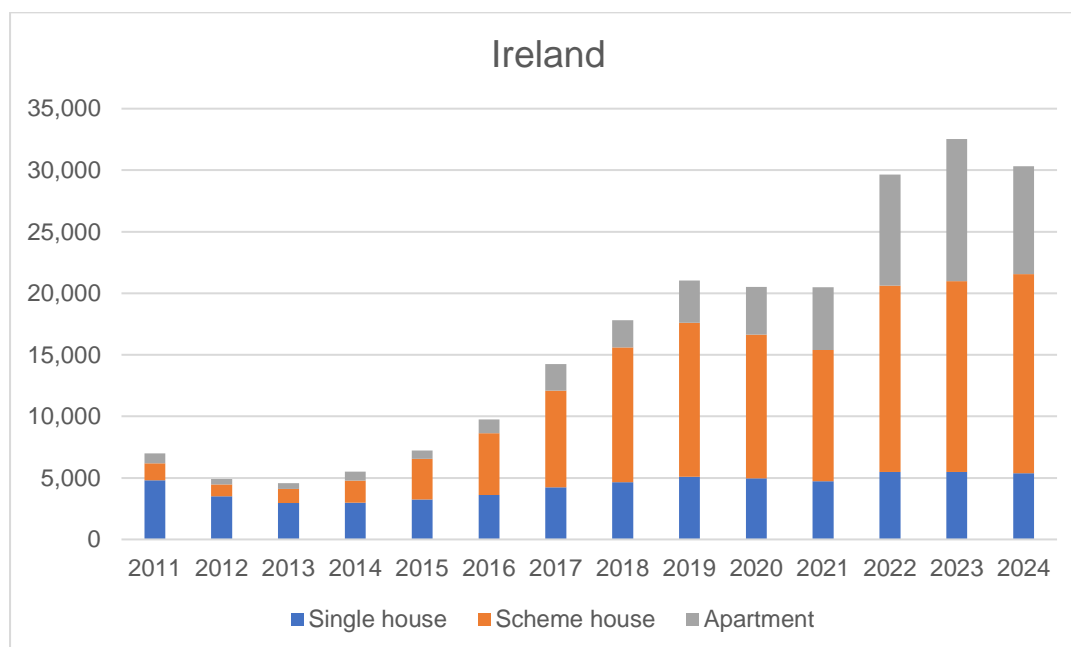




**Source:** CSO

In comparison, apartment completions accounted for 22% of all newly developed homes in the State since the beginning of 2011 while scheme houses accounted for half. In 2024, 30,330 new dwellings were completed, marking a 6.7% decrease compared to the previous year. This figure falls significantly short of the Government's target of 40,000 new homes. Apartment completions experienced the most significant decline, falling 24.1% from 11,542 in 2023 to 8,763 in 2024. In contrast, scheme houses saw a modest 4.6% increase to 16,200, and single houses experienced a slight 2.2% decline to 5,367.

**Figure 3: Completions in the State by Property Type, 2011 – 2024**



**Source:** CSO

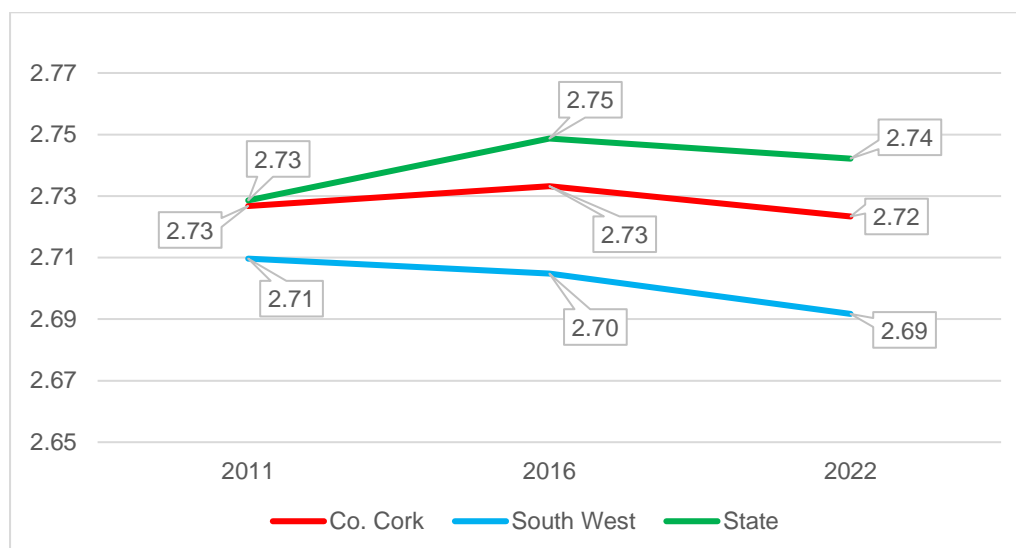
## Households

The number of permanent private households in County Cork stood at 210,918 at the time of Census 2022. The number of persons in permanent private households was 574,407

bringing the average household size to 2.72. In the South-West region, the number of permanent private households totalled 269,097 in 2022, accommodating 724,328 individuals and yielding an average household size of 2.69.

At a national level, there were 5,036,617 people living in 1,836,728 permanent housing units, yielding an average household size of 2.74. In comparison, the EU average household size was 2.3.

**Figure 4: Average Household Size, 2011 – 2022**



**Source:** CSO/Sherry FitzGerald Research

At the time of the 2022 Census, 66% of households in Co. Cork owned their own home, with a further 28% renting. These are the same as the proportions recorded for the State.

### Forecasting Housing Demand

Using an average of the M1 (high net migration) and M2 (medium net migration) population forecasts from the CSO, most recent estimates show that the population of Ireland is expected to increase to 6,000,756 by 2036. In the South-West region, the population is forecast to reach 850,250 by 2036. This represents an increase of 109,636 from the 2022 level of 740,614.

Assuming that the average household size will fall to the EU average of 2.3 by 2036, Sherry FitzGerald Research estimate an average housing demand in the State of 56,200 units per annum up to 2036. This demand is heavily weighted towards the beginning of the projection period, given the current shortages in the market, with approximately 62,000 units per annum required in the short term. Using the same assumptions, demand for the South-West region is estimated at an average of 7,290 units per annum.

This is significantly greater than the 3,554 level of completions recorded for the region during 2024, indicating that development activity will have to increase significantly in order to meet demand.

### Zoned Land

A national database of residential zoned land is currently not available. However, Goodbody published a report<sup>1</sup> in September 2024 which estimated that there was approximately 7,911 hectares of residential zoned and serviced land without active planning located across the State, with the potential to deliver approximately 416,600 residential units. This would comprise 295,900 units on new residential zoned land and the remaining 120,700 on land with mixed use zoning. This excludes a further estimated 116,000 residential units, in

developments of ten units or greater, with active, granted planning permission as of mid-June 2024 that had yet to commence construction.

Although the report acknowledged that some of the land included in the analysis may not be available for the immediate delivery of housing, it found that the location of zoned land was not aligned with either the current distribution of households or the housing delivery targets outlined in the National Planning Framework.

In the South-West region, an estimated 879 hectares of land was identified as residential zoned and serviced land without active planning. Goodbody estimated that this land has the potential to deliver approximately 47,000<sup>ii</sup> residential units with 74% identified as zoned for new residential and the remainder mixed use. An estimated 39,900 of these potential units are located in all of Co. Cork with 21,400 in Cork City and 18,500 in Co. Cork.

However, the Goodbody report highlights that taking into account the supply of zoned land and estimated residential yields together with units that have planning permission but have yet to commence development, the delivery of 60,000 units per annum would be impeded by a shortage of zoned and serviced land in most regions. In particular, the South-West region would require additional zoned and serviced land to provide up to 13,600 residential units. Although Cork City was found to have sufficient land to meet demand, Cork County was found to have a deficit with additional land required to meet approximately 17,600 units. Co. Kerry was also found to have a deficit of land to supply 5,900 units.

**Table 5: Residential Zoned Land and Estimated Residential Units**

Location	Residential Serviced and Zoned Land Without Active Planning	Estimated Residential Yield
South-West	879 ha	47,000
State	7,911 ha	416,600

**Source:** Goodbody

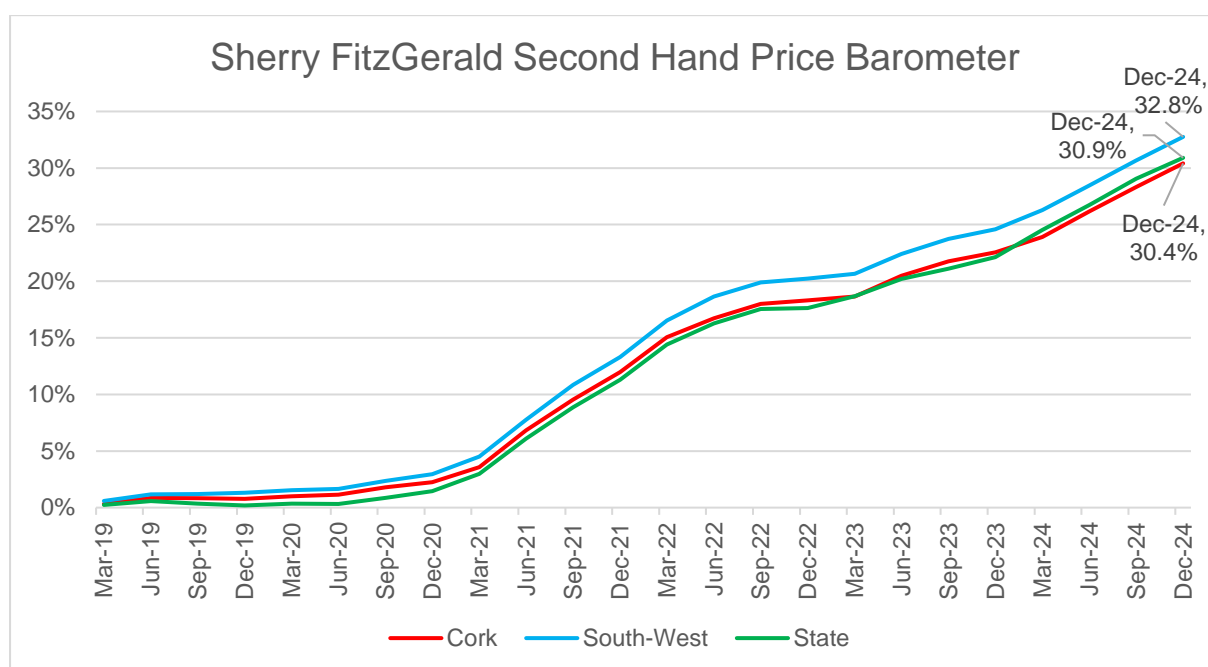
## Residential Market

### Price Performance

According to the Sherry FitzGerald Price Barometer, second hand properties in Co. Cork increased by 30.4% between December 2018 and December 2024. A 32.8% increase was seen in the South-West region over the period while prices nationally increased by 30.9%.



**Figure 5: Cumulative Price Growth, Second Hand Homes, 2018-2024**



**Source: Sherry FitzGerald Research**

The price of new homes nationally increased by 37.5% between December 2018 and Q3 2024 according to the CSO's Residential Property Price Index. A comparable figure is not available for Co. Cork or the South-West region.

**Figure 6: Cumulative Price Growth, New Homes, 2018 - 2024**



**Source: CSO**

## Transactions

An analysis of residential transactions using stamp duty executions data from the CSO reveals that in the twelve months to October 2024, there were approximately 48,531<sup>iii</sup> dwellings purchased in the State by household buyers<sup>iv</sup>. This represents a 4% reduction when compared to the previous twelve-month period. This reduction reflects a decline in second hand sales

which fell to 38,484 from 41,394. New homes transactions remained relatively stable during the period reaching 10,047 in the twelve months to October 2024 compared to 9,083 a year earlier.

In the South-West region approximately 6,361 transactions were recorded in the twelve months to October 2024, with Co. Cork accounting for 5,267. Second hand homes sales totalled approximately 4,930 in the South-West region for the twelve months to October 2024, 9% lower than the previous year, while new homes sales were up 4% to reach 1,431.

Approximately 1,316 new homes were sold in the Cork County Council area to household purchasers in the twelve months to October 2024, 4% higher than a year earlier, while second hand transactions reached almost 2,984, 11% below the previous year. In Cork City, total transactions decreased by 5% to 1,003. This was due to a drop in existing homes sales which fell by 8% to 943. New homes only accounted for 60 units sold in the 12 months to October 2024.

The 12-month rolling median price<sup>v</sup> of a new home in the State stood at €420,000 in the 12 months to October 2024, while that of a second-hand home was €320,000. In comparison, the price of a new home in Cork County was €390,000 while the median price paid for a second-hand home was €305,000. Prices paid in Cork City in October 2024 were €446,325 and €305,000 for new and second-hand homes respectively.

**Table 6: Transactions and Median Prices October 2024**

	New Homes		Second Hand Homes		All Homes	
Location	Transactions (Annual)	Median Price	Transactions (Annual)	Median Price	Transactions (Annual)	Median Price
Cork County Council	1,316	€390,000	2,948	€305,000	4,264	€345,525
Cork City	60	€446,325	943	€305,000	1,003	€312,000
Ireland	10,047	€420,000	38,484	€320,000	48,531	€350,000

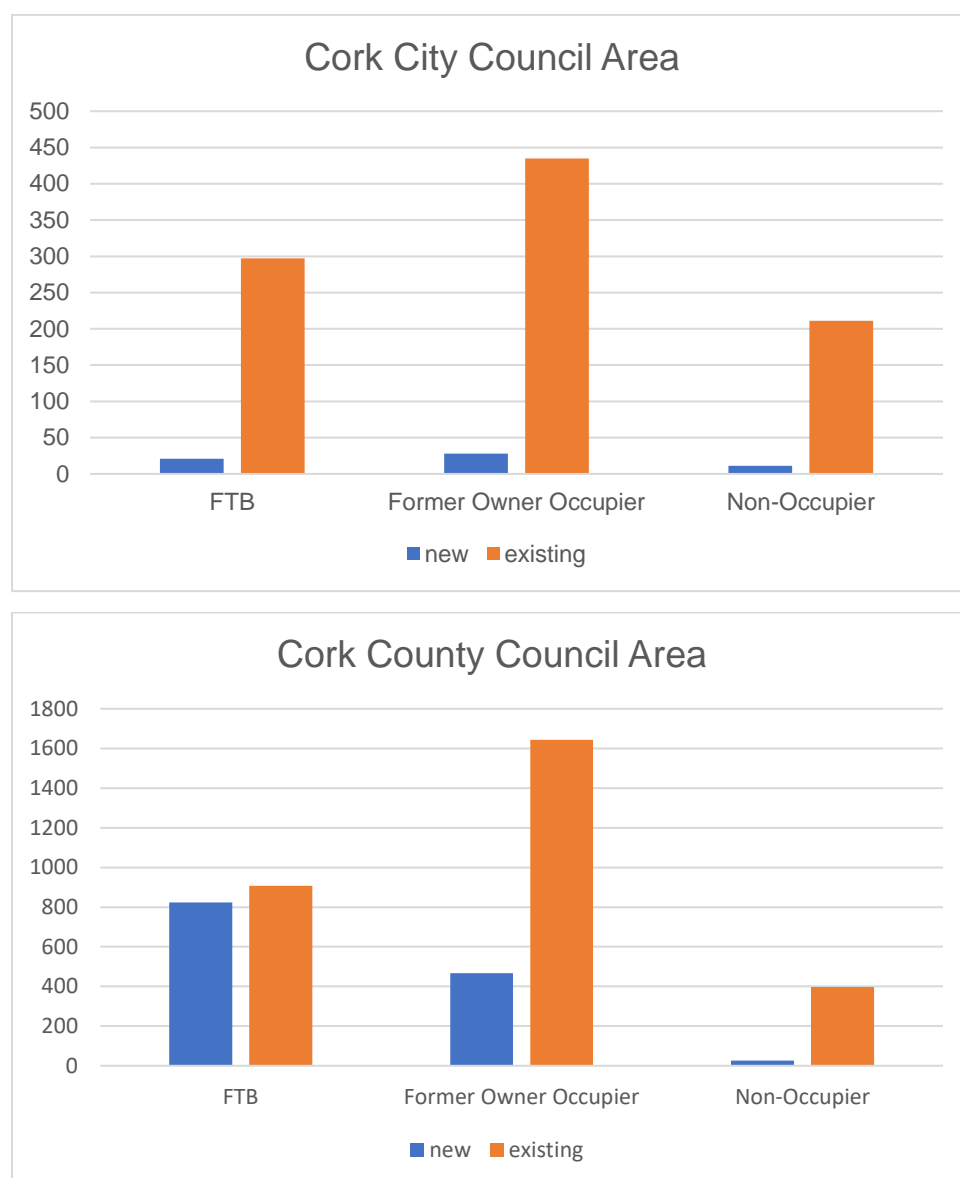
**Source:** CSO

### 3.3 Purchaser Profile

During the twelve months to October 2024, first-time buyers accounted for 39% of all properties purchased in Co. Cork. This is greater than the proportion recorded for the State at 36%. Former owner occupiers represented 49% of all purchasers in the Co. Cork area during the period, slightly lower than the 53% rate recorded for the State. Non occupiers accounted for the remaining 12% of home purchases in Co. Cork, compared to 11% recorded for the State. There were a larger proportion of first-time buyers in the Cork County Council area (41%) compared to Cork City (32%). Cork City had a relatively higher proportion of non-occupier purchasers (22%) compared to Cork County Council (10%). Former owner occupiers represented a slightly higher proportion in Cork County Council Area (49%) compared to Cork City (46%).

Approximately 41% of all first-time buyers in Co. Cork purchased new homes. The majority of other owner occupiers purchased second hand homes during the period at 81%, while 94% of all non-occupiers also bought second hand homes.

**Figure 7: Cork City and Cork County Council Purchaser Profile, Twelve Months to October 2024**



**Source:** CSO



## Economic Overview

Following a period of robust expansion, growth in the Irish economy faltered during 2023, as cost of living pressures, rising interest rates and geopolitical tensions all impeded performance. That said, the underlying domestic economy remained resilient with Modified Domestic Demand (MDD), which strips out activities of the multinational sector, expanding by 2.6% in 2023.

The pace of inflation which accelerated during 2022 and remained robust throughout much of 2023, eased considerably since the beginning of 2024, reflecting the contractionary monetary policy pursued by the European Central Bank (ECB) during 2022 and 2023. Interest rates are now on a downward trajectory, although headwinds remain as geopolitical tensions persist, and the economy continues to experience capacity constraints in both the labour and housing markets.

During the first nine months of 2024, Modified Domestic Demand (MDD), which is considered a more accurate measure of activity in the Irish domestic economy compared to Gross Domestic Product (GDP), expanded by 3.1% compared to the same period in 2023. This follows growth of 1.3% in quarter three, reflecting increases in government expenditure on goods and services and modified investment of 1.5% and 5.2% respectively. These increases were offset by a 0.2% contraction in consumer expenditure during the three-month period, highlighting continued cost of living pressures despite the decline in inflation. Gross Domestic Product grew by 3.5% in quarter three but contracted by 1.7% during the first nine months of the year compared to the same period in 2023. Overall, the multinational dominated sectors of the economy contracted by 6.5% during the first nine months of the year, compared to the corresponding period of 2023, while the domestic facing sectors expanded by 2.7% over the same period.

Growth in MDD is expected to reach 3.2% in 2024 and 4.1% in 2025 according to ESRI forecasts. The volume of GDP is predicted to contract again in 2024 albeit by a more moderate 1.1% before increasing by 4.5% in 2025.

Between July 2022 and September 2023, the European Central Bank (ECB) raised key lending rates in the Euro Area economy ten times to control the pace of inflation which remained well above the target 2% rate. The last increase in September 2023, brought the main refinancing rate to 4.5%. The impact of higher borrowing costs was felt across the economy reducing the pace of inflation and dampening economic growth. Subsequently, inflation in the Euro Area eased significantly from the peak of 10.6% recorded in October 2022, to reach an estimated 2.2% in November 2024. This paved the way for a reversal in policy, with the ECB cutting key lending rates on five occasions in 2024 in June, September, October and December and in January 2025 bringing the main refinancing rate to 2.9%. Rate cut decisions are always contingent on economic data. Inflation is now close to the target rate. However, the Eurozone economy now faces several headwinds, especially with the ongoing threat of US tariffs which could further complicate the economic outlook. Markets are expecting several more interest rate cuts this year to provide relief to the European economy.

Table 1: GDP and MDD 2023, 2024 & 2025

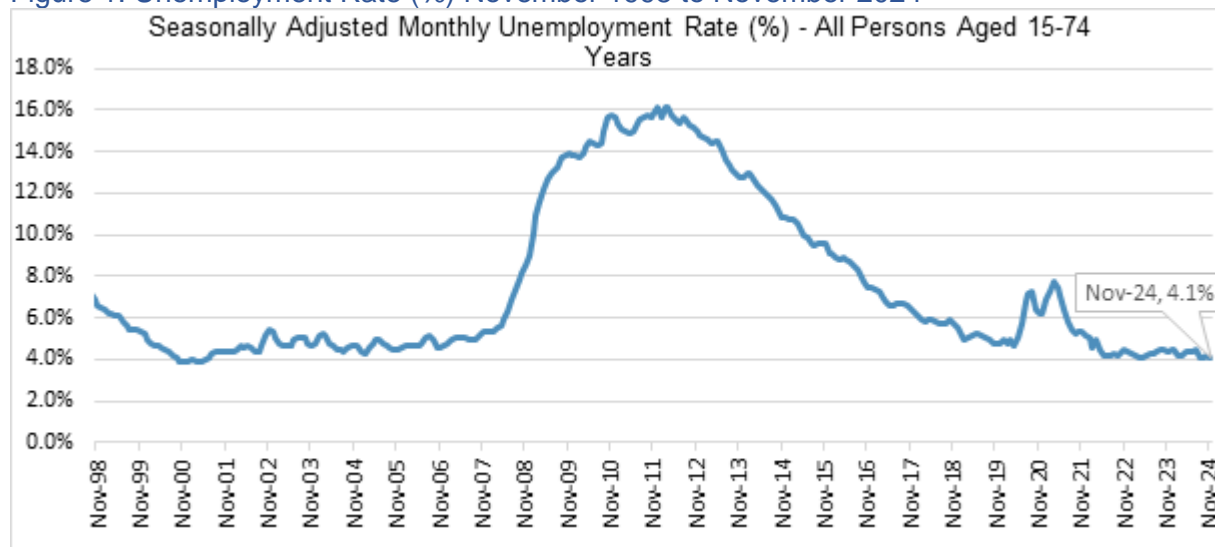
	2023	2024f	2025f
<b>Gross Domestic Product</b>	-5.7%	-1.1%	4.5%
<b>Modified Domestic Demand</b>	2.7%	3.2%	4.1%

Source: CSO/ESRI

## Labour Market

Conditions in the Irish labour market remained very tight during 2024 with record levels of employment recorded. The most recent figures from the Labour Force Survey show that the total number of individuals aged 15 years and over in employment reached almost 2.8 million in Q3 2024. This is 3.7% higher than a year earlier. As a result, the unemployment rate has remained very low, with the monthly rate standing at an estimated 4.1% in November 2024. For 2024 as a whole, the rate of unemployment is expected to remain close to the full employment level, averaging 4.3%, and it is expected to decline slightly to 4.2% in 2025 according to forecasts from the ESRI.

Figure 1: Unemployment Rate (%) November 1998 to November 2024



Source: CSO

## Consumer Sentiment

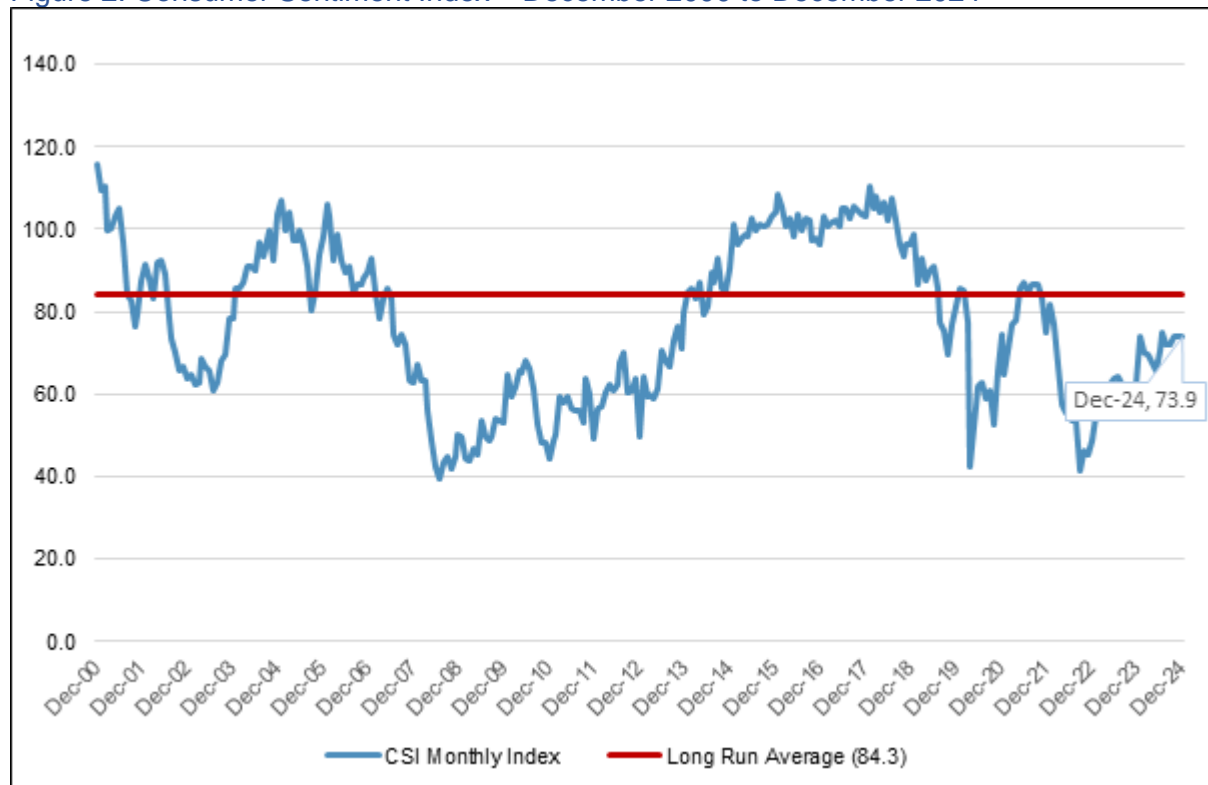
The latest Credit Union consumer sentiment survey revealed that consumer confidence dipped slightly in December to 73.9, down from 74.1 in November. Consumers are still cautious as concerns around living costs and economic uncertainty remain.

The major purchases index, which measures consumer sentiment for committing to large scale purchases such as a house or car, increased slightly in December to 100.3, up from 98.7 in November. It is also significantly higher than the same month last year when it reached 86.4.

The slight dip in consumer sentiment indicates that consumer confidence has remained largely unchanged over the past few months. While inflation is moderating and interest rates are falling, the impact of sustained price increases in recent years continues to weigh heavily on the finances of many Irish consumers, particularly those with modest incomes or significant financial commitments. The uncertain future of the trade relationship as a result of Trump's US election win has also created an atmosphere of caution among consumers.

Looking ahead, there are grounds for optimism regarding household finances in 2025. With inflation expected to remain moderate and upcoming tax and welfare benefits set to take effect in January, consumers may feel more positive about their financial prospects in the new year.

Figure 2: Consumer Sentiment Index – December 2000 to December 2024

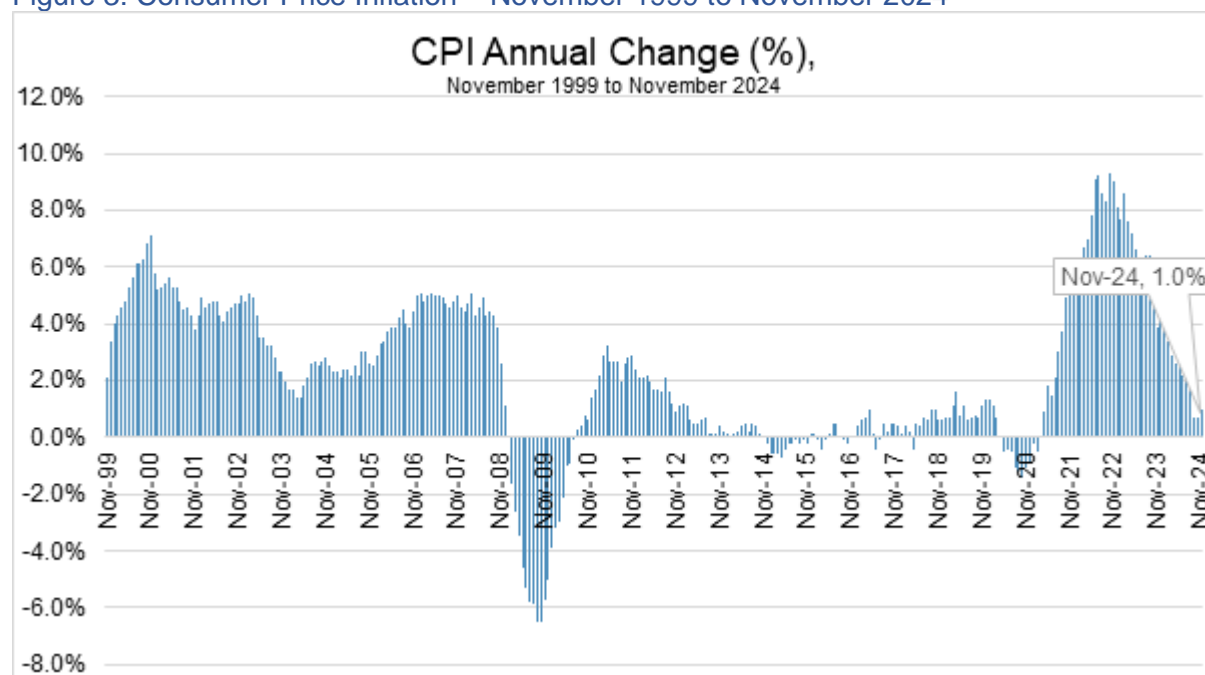


Source: Irish League of Credit Union

### Inflation

The annual rate of inflation, as measured by the Consumer Price Index (CPI), has fallen throughout the year reaching 1.0% in November. This is up slightly from a rate of 0.7% in October. The most significant increases in the twelve months leading up to November 2024 were in Restaurants & Hotels (+3.8%) and Alcoholic Beverages and Tobacco (+3.5%). Clothing & Footwear (-7.5%) and Transport (-1.6) experienced the largest declines compared to November 2023. The ESRI forecasts that CPI inflation will average 2.1% in 2024 before falling to 1.0% in 2025.

Figure 3: Consumer Price Inflation – November 1999 to November 2024



Source: CSO



## Conclusion

The housing completion figures released by the CSO were well below Government's target of 40,000 units and insufficient to meet annual demand with approximately 30,330 homes built in 2024, a decrease of 6.7% in housing completions when compared to 2023. Sherry FitzGerald estimates that we require approximately 56,200 units per annum up to 2036 to meet demand and Property Industry Ireland states that if Ireland is to achieve 50,000 plus units per annum, at least 50% of these will need to come from new apartments. There were just 8,763 apartments completed across the entire country in 2024, falling 24.1% from 11,542 in 2023. A primary reason for the reduction in apartment completions is a fall-off in private sector investment activity for private rental units.

Demand greatly outstrips supply of new homes in Cork with Sherry FitzGerald New Homes being four times oversubscribed on new developments. During the first 9 months of 2024 first time buyers accounted for 32%, former owner occupiers accounted for 46% and non-occupiers accounted for 22% of all properties purchased in Cork city. In New Home schemes the percentage of First Time Buyers who are availing of the Government subventions is far higher. In the main active new home schemes are being developed and constructed on suburban and metropolitan greenfield sites on the outskirts of the city in traditional medium density developments.

The low numbers of new homes being constructed close to Cork city centre in the established suburbs highlights the need for new multi storey developments in this location.

The proposed development would provide 170 quality new homes within the city suburbs. The site is conveniently located within walking distance of the city centre and amenities such as schools, third level institutes, hospitals, shops & parks. The site has convenient access to the South Link Road and the N40 South Ring Road network and is well served by public transport with bus routes 203 & 219.

In our opinion the proposed development will be well received by the market due to its high quality of design and based on the severe shortage of residential accommodation available and under construction in Cork.

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<sup>i</sup> Residential Land Availability, An Assessment of Residential Land Provision in Ireland, Goodbody, September 2024.

<sup>ii</sup> This is according to their baseline assumptions. The report also includes low and high residential yield scenarios.

<sup>iii</sup> *Transactions are based on stamp duty executions data from the CSO and although a time-lag of three months is used for accuracy purposes, data is subject to revisions as time progresses.*

<sup>iv</sup> *Household buyers include first-time buyers, other owner occupiers and non-occupiers which would include buy to let transactions but excludes purchases by private companies, charitable organisations and State institutions.*

<sup>v</sup> *Median prices are based on stamp duty executions data from the CSO and although a time-lag of three months is used for accuracy purposes, data is subject to revisions as time progresses.*



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