



# Development Land Market Review

Summer | 2023

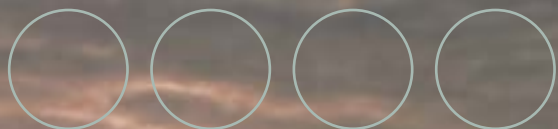
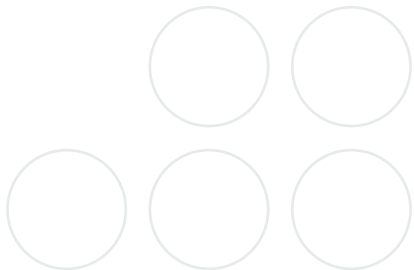
The first half of 2023 saw a marked decline in transaction activity in the development land market with the total value of land sold for development purposes falling to a record H1 low of €134 million. The volume of transactions was equally low highlighting the impact of higher borrowing costs and the strength of construction cost inflation over the period, which are further exacerbated by ongoing delays in the planning system.

The effect of rising interest rates and construction costs is further illustrated by an analysis of transactions by lot size. Notably, in contrast to previous years, there were no transactions exceeding €15 million in value during the first half of the year. Similarly, there was a greater proportion of smaller sites changing hands during the period with just under two thirds, 65%, of sites traded less than 5 acres in size.

Residential land represented the largest share of turnover during the period, 58%, while the proportion comprising land exclusively for commercial or industrial use was 14%, well below levels seen in the past two years. However, lands with mixed use potential represented a further 25% of sales turnover.

The regional centres of Cork and Galway each accounted for relatively large proportions of development land spend in the year to date at 15% and 14% respectively. As a result, the share of turnover in the Greater Dublin Area was much lower than that seen in previous years at 71%.







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