



Part V Costs and Methodology

Proposed Strategic Housing Development at Horgan's Quay and Railway Street, Cork.

Client: HQ Developments Limited

August 2019

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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 was been accepted in principle by Cork City Council as evidenced by the attached correspondence.

Part V Proposal

The 30 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 302 no. housing units proposed) are highlighted on the attached Site Layout Plan. 6 no. units are located on the first floor of the residential development with the remaining 24 no. units located on the second floor. The proposed Part V arrangements have been agreed in principle with Cork City Council Housing Department.

Breakdown of Units

These units consist of 21 x 2 bed and 9 x 1-bed and are highlighted on accompanying drawings prepared by O'Mahony Pike Architecture. The breakdown of the units including floor space are highlighted on the Table below.

Unit No.	Floor Level	Number of Bedrooms	Unit Size (m²)
01 16	1	2 Bed	75.20
01 17	1	2 Bed	83.80
01 18	1	2 Bed	77.60
01 19	1	2 Bed	75.20
01 20	1	2 Bed	75.20
01 21	1	2 Bed	80.60
02 01	2	2 Bed	80.60
02 02	2	1 Bed	47.90
02 03	2	1 Bed	50.00
02 04	2	1 Bed	50.00
02 05	2	2 Bed 3p	65.90
02 06	2	2 Bed	75.20
02 07	2	2 Bed	73.50
02 08	2	2 Bed	74.50
02 09	2	2 Bed	75.20
02 10	2	2 Bed	75.20
02 11	2	2 Bed	86.70
02 12	2	1 Bed	54.70
02 13	2	2 Bed	75.20
02 14	2	1 Bed	50.30
02 15	2	1 Bed	50.00
02 16	2	1 Bed	50.00
02 17	2	1 Bed	50.00
02 18	2	1 Bed	50.00
02 19	2	2 Bed	87.20
02 20	2	2 Bed	75.20

02 21	2	2 Bed	83.80
02 22	2	2 Bed	77.60
02 23	2	2 Bed	75.20
02 24	2	2 Bed	75.20
Total GFA			2076.70

Estimated Costs, Calculations & Methodology of Part V Proposal

The total costs of the 30 units to be leased is considered to be €7,925,309 and is calculated as follows

Unit Size (sq. m)	# Units	Cost per unit (*)	Total Cost
75.2	10	€285,287	€2,852,865
50	6	€196,280	€1,177,680
83.8	2	€315,662	€631,324
80.6	2	€304,359	€608,719
77.6	2	€293,763	€587,527
87.2	1	€327,671	€327,671
86.7	1	€325,905	€325,905
74.5	1	€282,814	€282,814
73.5	1	€279,282	€279,282
65.9	1	€252,439	€252,439
54.7	1	€212,880	€212,880
50.3	1	€197,340	€197,340
47.9	1	€188,863	€188,863
907.9	30		€7,925,309

*Costs per square metre are based on the Linesight average Irish construction costs 2019 for apartments. The upper end of the cost range has been assumed based on the central location of the scheme. Site costs (based on market value of land) and development costs are also incorporated into totals.

In terms of estimating the costs and the methodology for the proposed lease over the 30 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

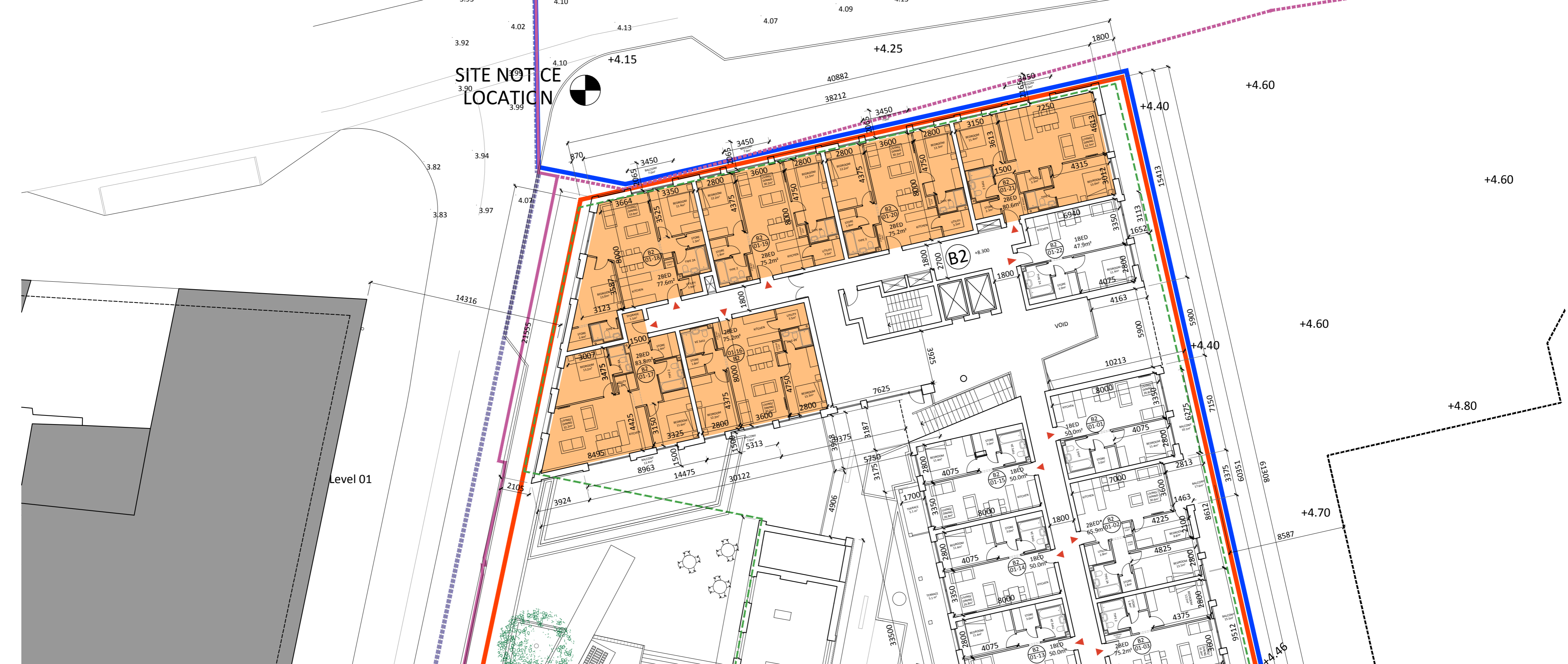
The *"net monetary value"* or value of the discount is calculated to be as follows

	€M
Market Value of Land in (portion on which residential development is proposed) 1.7	1.7
Less	
Existing Use Value of Land (Use as Public Carpark) 1.7	1.7
Net Monetary Value / Value of Discount	0

The Planning Authority will be aware that apartments schemes remain economically challenging due to the costs associated with apartment construction. This results in a market value of the portion of the site on which the residential development is proposed, (which currently has a use as a public carpark) being the same as the existing use value.

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 €0, because the existing use value matches the market value.

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



Level 01 and 02 Part V Plan

- Proposed planning application line
- Lands in ownership of CIE
- Outline of residential block permitted under 17/37563
- Outline of previous permitted application 17/37563
- Units allocated for Part V:
 Level 01 - 6 no. units
 Level 02 - 24 no. units

OS Map Ref: 6383-06 Ordnance Survey Ireland License No. AR 0005019
 All levels (in meters) are related to Malin Head Datum.

All dimensions in millimeters. Figured dimensions only are to be taken from this drawing. Please refer to Engineer's drawings for road levels, site services and any other engineering proposals. Survey prepared by Precise Control - Land and Engineering surveys

Revision Description	Date	Rev. No.	Issued by
SHD application	08-09-2019	3	AW
SHD Pre application	22-03-2019	2	SV
Planning	15-02-2019	1	IT

Figured dimensions only to be used. This drawing is copyright of O'Mahony Pike Architects Ltd. All information is shared as per approved use in accordance with BS1192(2007) + A2(2016), Table 5; Standard Codes for Suitability of Models and Documents. If 'Information Approval Check' is empty, this information has been shared at S0 - WIP.

omahony pike

architecture | urban design | Dublin | Cork
 email: info@omahonypike.com | The Chapel | 26 South Mall
 tel: +353 1 202 7400 | Mount St. Anne's | Cork City
 fax: +353 1 283 0822 | Milltown, Dublin 6 | Co. Cork
 www.omahonypike.com | D06 XNS2 Ireland | T12 R2RV Ireland

Project No.: 1623C
 Project Lead: CK
 Drawn By: SV
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 Purpose: S4

Scale @ A1: 1:200
 Date Printed: 08-09-2019
 Current Rev.: 3

Project: HQ Horgan's Quay Residential
 Location: Horgan's Quay, Cork
 Client: HQ Developments Ltd.

Drawing Title: Level 01 and 02 Part V Plan
 Drawing No.: HQDRQ-OMP-B0-ZZ-DR-A-1921

HQ **bam**
 CLARENDON **property**

From: [Alison O'Rourke](#)
To: [Bernard Dwyer | HW Planning](#)
Cc: [Katie Dullea](#)
Subject: RE: HQ Developments Part V
Date: 22 March 2019 14:38:21

Hi Bernard,

The Council has no objection in principle with taking the part V obligation of 10% of the units through long term leasing, subject to Agreement.

We would not accept your interim valuation but would propose to defer any discussion or agreement of net monetary value until the outcome of the planning process is determined.

Best Regards

Alison

Alison O'Rourke | Senior Executive Officer | Housing Capital Construction & Regeneration | **Housing and Community Directorate**
ext: 4607

SUBJECT TO CONTRACT/ CONTRACT DENIED

From: Bernard Dwyer | HW Planning [mailto:bdwyer@hwplanning.ie]
Sent: 06 March 2019 18:27
To: Alison O'Rourke
Subject: HQ Developments Part V

Hi Alison,

Hope you're well. I'm emailing in relation to an upcoming Strategic Housing Application to An Bord Pleanala. The applicant HQ Developments Limited will be applying for a revision to their permitted residential block as part of the Horgan's Quay development (TP 17/37563).

The revised application was recently made directly to Cork City Council (19/38265). However it was deemed invalid as it constitutes a strategic housing development. We have confirmed with Kevin O'Connor that there is no requirement for a formal Section 247 pre-planning meeting with the council in advance of our SHD application as a meeting was previously held in December last. As a result we will be proceeding directly to a pre-consultation application with the Board in the coming weeks.

In advance of that application we are seeking agreement in principle in terms of the Part V proposal for the revised residential block. I'm attaching a plan and Part V methodology. Can you review if you get a chance and let me know if you have any queries on same.

Regards,
Bernard

Bernard Dwyer
Planning Consultant

HW Planning
5 Joyce House
Barrack Square,
Ballincollig, Co. Cork

hwplanning.ie
(021) 4873250
(086) 3227610

[LinkedIn](#)

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HW Planning
5 Joyce House,
Barrack Square,
Ballincollig, Co. Cork

www.hwplanning.ie
info@hwplanning.ie
+353 (0)21 487 3250

