

Over the last 10 years huge development has taken place on the outskirts of the city in places such as Mahon, Blackpool, Cork Airport Business Park, East Gate and Ballincollig. These and many others are a further indication of the attractiveness Cork has as a location for industry and business. Many exciting developments are in the pipeline for the future and these will add further to the development, the growth and the attractiveness of Cork as the Capital of the South.

The improving rail, road, sea and air links to the city and the €160 million airport terminal extension to handle over 5 million passengers per annum will make Cork not only attractive but also more accessible.

There is no doubt there is a great buzz within Cork over the past few years. For too long we were in decay and lagged behind.

Investors from within and indeed outside have showed confidence in our city.

Mr. Joe Gavin, Cork City Manager summed it up when he said, "our objective in Cork is to create a city that is physically attractive, economically vibrant, culturally enriched, socially inclusive and internationally recognised". We are well on our way.

## Agriculture Land

Irish & European since its foundation has always been involved in the sale of agriculture land and over that period of time huge changes have taken place in the agricultural industry and despite these changes there is still strong demand for good agricultural land despite the uncertainty about its future. The mid '90's saw the movement away from the smaller holdings to the larger and more viable enterprises. Economies of scale have forced this change on the farming community. In addition to regulations and changes imposed on us by the EU, entitlements and quotas are now the order of the day. Whilst there is still a huge demand for agriculture land, it is considered that a viable holding now has to be in excess of 150 acres and over 150,000 gallons of a quota for dairy farmers and 150/200 acres for Tillage farming. Slimming down on profits has put pressure on better husbandry and farm management.



Farming is now a highly organised way of business with the emphasis very much on efficiency and quality. The future and particularly in the light of the recent W.T.O. talks the emphasis is very much on larger units, greater output and lower production costs.

At the time of going to press it now looks as if our Beet and Sugar industry is about to be consigned to history.

Land prices for agricultural holdings with a good yard and residence can sell for up to €20,000 plus per acre almost double the price of ten years ago. Less attractive holdings are averaging around €15,000-€17,000 per acre and can go as low as €10,000-€12,000 per acre for less attractive and non-viable holdings.

Land prices are at an artificially high level because of the amount of money available from the sale of the development land around the city and our major towns throughout the county.

It is envisaged that between now and 2013 many more farmers will have to change their way of farming to meet the demands of 2013.

Fair Free trade will be the order of the day. It is the view of many close to the farming scene that 50% of those farming today will by 2013 be deriving over half their income from non farming enterprises.

As a nation we are not as dependent on agriculture as we were ten years back. Those that intend staying in agriculture will have to enlarge and expand if they are to compete in the world market.

The vibrancy of our agriculture industry is still important to the economy as a whole. We are one of the few countries that can still boast of a top class product from a green and clean environment and whilst numbers in farming may be on the decline we in Irish & European would still have a lot of confidence in the future of Irish Farming.

- Auctioneers
- Estate Agents
- Valuers
- Surveyors

## 'A Decade of Boom' 1995 – 2005

Since the founding of the Company over 30 years ago Irish & European have been carrying out annual property reviews with special emphasis on ten-year reviews and comparisons. There were many highs and lows over that period of time particularly in the mid '80s, which were without doubt the most turbulent period for the Cork property market.



By Mr. Joe McCarthy  
F.I.A.V.I. F.S.C.S. F.R.I.C.S.

The late '80s and the early '90s showed that the Cork market had stabilised with property prices showing a modest increase on an annual basis.

However, in the decade 1995 to 2005 the boom in Cork property prices and indeed Irish property prices and particularly the housing market have been without question the most vibrant and talked about topic in Ireland over that period of time and despite the reservations of some the future continues to look quite active and encouraging.

Over the decade there was unprecedented growth and inflation in property prices throughout the Cork Property market but particularly in the housing market. Confidence and strong growth in the Irish economy were the foundation stones encouraging demand with the resultant increase in prices.

In 1995 it was clear from the previous year returns that the market was changing radically. We had low interest rates, low inflation and a good performance in the national jobs front. The result was that confidence and investment grew in all segments of the property market, residential, commercial, and industrial and to a lesser extent agriculture.

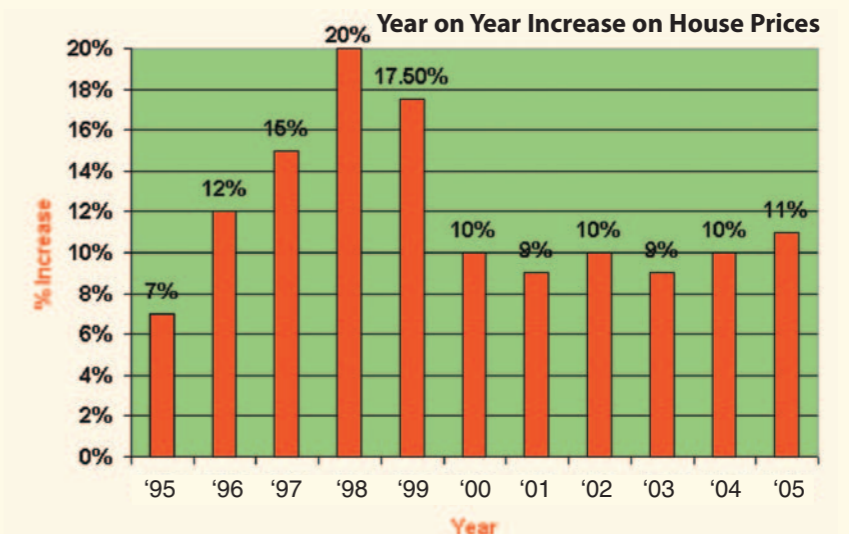
Ireland's unique demographic profile without doubt has been a

major factor fuelling house demand. Immigration to this country has been at an all time high. The return of many of our own emigrants of the '70s and '80s as well as an influx of foreign nationals are all major factors affecting house prices. 40% of our population are under age 25 and the largest proportion of the population is now aged between 25 and 40 years. This age bracket is particularly active in the housing market and it is envisaged that this situation will continue for a number of years yet.

Emigration from Ireland had been traditionally high with up to 30,000 leaving our shores annually during the '70s and the '80s. This trend has now been reversed with a net inflow of 30,000/35,000 to our shores, making a turnaround of 60,000/65,000 people annually. Immigration is set to continue for several years yet. Hence, statistics

show that non-nationals are now becoming an important part of the residential market.

Home ownership in Ireland is the highest in Europe at 81% as against the UK at 67% and Germany at 35%. Over one third of our house buyers are now in the single category by marital status and over one third of mortgage demands also come from first time buyers. It is interesting to note that in the last decade the average age of first time buyers has risen from 24 years to 27 years. This is partly due to house price increases. In 1995 there were c. 30,000 housing units built throughout the country. This year (2005) that figure is close to 80,000 units and it is estimated that we would need to build an average of 60,000 homes annually over the next 5 to 7 years to meet the demand of house buyers.



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**Some comparable house prices 1995 v 2005**

| PROPERTY                            | 1995     | 2005     |
|-------------------------------------|----------|----------|
| Knockree Gardens, Ballinlough       | €60,000  | €325,000 |
| Briarscourt, Shanakiel              | €50,000  | €260,000 |
| Chestnut Grove, Bishopstown         | €115,000 | €575,000 |
| Chelmsford Village, Model Farm Road | €160,000 | €900,000 |
| Kiltegan Lawn, Rochestown           | €110,000 | €460,000 |
| Homeville Tce, Western Road         | €90,000  | €400,000 |
| Landsborough                        | €175,000 | €600,000 |
| St. Vincents View, College Road     | €85,000  | €360,000 |
| Uam Var Drive                       | €85,000  | €320,000 |
| Farranlea Grove                     | €85,000  | €400,000 |
| Janeville, Blackrock                | €175,000 | €800,000 |
| Willowfield, Ballincollig           | €60,000  | €275,000 |
| Bromley Park                        | €70,000  | €330,000 |

Our population could reach in excess of 5 million by the year 2020. These people will have to be housed either through the owner-occupier or the rental market. The construction industry should remain strong for years to come. We still have along way to go in this country in terms of infrastructure requirements. By comparison with other European countries we have significant investments still to be made in services, roads, transport, waste management and indeed housing. House prices and future trends are much debated. There is a difference of opinion regarding the reason for the house price growth. Some argue it is based on economic fundamentals, strong employment growth, low interest rates and other demographic developments.

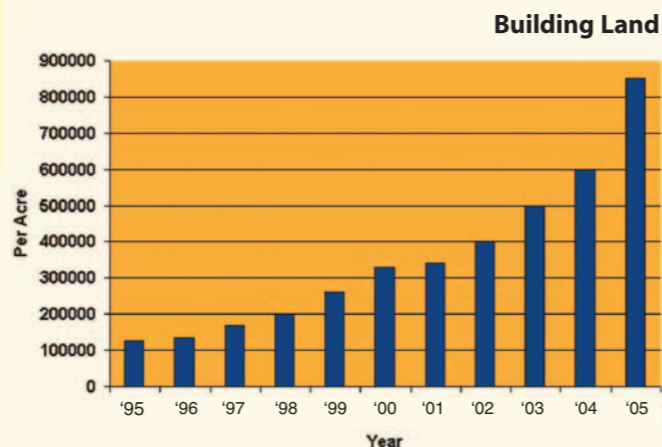
Some economists have been forecasting a collapse for almost 5/6 years now with the result that they are neither doing justice to their own profession or indeed to many first time buyers hoping and waiting for a collapse in house prices.

The number of people at work is heading for over two million against a little over a million a decade ago. The bottom line is that the economy is continuing to deliver real growth driven by real needs such as the need for people to have somewhere to live. Present indications suggest that this trend will continue and the housing market looks set to stay buoyant.

Some time in the future the doomsayers who specialise in predicting the imminent onset of economic recession may be proven right. It did not happen over the last decade. It will not happen in 2006 and it is unlikely to happen for some years yet.

## Residential Building Land

The building land market underpins construction activity, which is a major contributor to the prosperity of the Irish economy. High level of residential output in the Cork area has resulted in additional pressure on development land prices. Over 70% of the land zoned in the greater Cork area in the 2003 County Development Plan was accounted for prior to publication of the plan itself. The issue of inadequate supplies of residential zoned land is a contentious one and needs to be dealt with. Building Land in the city suburbs is now selling at €1.5million - €1.75 million per acre with the average in the greater Cork area at €850,000-€900,000 per acre.



Cork City and County to the outsider offers a lot of attractions. Major towns and villages around Cork and the zoning of land in these towns and villages are a help to increase the supply of residential zoned land. Our outlying towns such as Bandon, Macroom, Mallow, Middleton, Youghal and smaller towns and villages in between are all within easy commuting distance of the city. These are becoming very attractive locations in which to live and indeed many of these towns and villages will benefit enormously from the influx of young people. The Local Area Plans adopted in 2005 by Cork County Council partly addressed the problem of supply and even though some of these villages and towns have been zoned for residential development, services such as water and sewage are not adequate thereby slowing the whole process of house building in these areas as it can take two to three years to install these services.

**Some of the comparable New Housing Developments of 1995 sold by Irish & European Ltd.**

|                                 | 1995     | 2005     |
|---------------------------------|----------|----------|
| Bromley Park                    | €85,000  | €330,000 |
| Parkview, Passage West          | €95,000  | €340,000 |
| The Beeches, Bridgemount        | €70,000  | €295,000 |
| Ashington, Brooklodge, Glanmire | €75,000  | €310,000 |
| Westgrove, Ballincollig         | €85,000  | €330,000 |
| Bellevue Rise, Frankfield       | €95,000  | €345,000 |
| Monswood, Rochestown            | €170,000 | €900,000 |
| Skehanore, South Douglas Road   | €85,000  | €350,000 |
| Iona Hall, Wilton               | €95,000  | €330,000 |

## Public Services

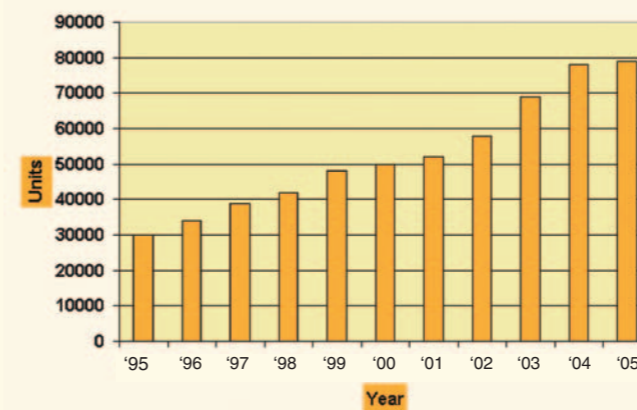
**Zoning and the servicing of land cannot be looked at in isolation and indeed our public transport system needs to be upgraded to make these towns attractive commuter locations.**

We have the opportunity to develop a modern rail link from Mallow to Youghal. These towns are now becoming commuter towns and a rail link would make these towns and the villages along the rail line very attractive places to live.

The inadequacy of investment in Ireland's public transport system over the past 50 years is generating increasing problems for people working and living within our city. Our public transport system is dreadfully in need of investment.

I have no doubt that our city centre would benefit greatly from the early development of an accessible and speedy bus and rail system linking the city centre to outer suburbs and satellite towns. The long term benefit of such a system would far outweigh its short-term costs.

**House Completions 1995-2005**



## Commercial / Industrial

**The changing face of Cork City has never been more evident than over the last 10 years. The growth in the retail sector, substantial investment in the pharmaceutical and technology sector, the increased ferry and air traffic through Ringaskiddy and Cork Airport respectively makes Cork an attractive location both to live and do business.**

There is an atmosphere in Cork that fosters a positive outlook with Cork continuing to prosper as a place to live, a place to work and now as a major tourist region. Confidence in both the national and local economy and with continued growth forecast, Cork is looking very much to the future. In addition to CASP – The Cork Area Strategic Plan –

which looks at the development and growth of the city and its immediate environs, Cork City Councils visionary, Cork Docklands project will see over 400 acres in the heart of the city being developed for commercial, retail, residential and recreational uses.

This will further revitalise the city and the vision for the area identifies the need for a development strategy to compete with other Irish and major European waterfront cities. The dockland strategy establishes a focus for the growth of the city providing an unrivalled opportunity for investment and development. The Dockland project has huge significance for both the city and the wider Cork area. There is no doubt if the vision for the dockland is to be realised it will change the face of the city and its environs.

Its development should bring vitality and viability to a run down area and establish a high quality level of development, that should be attractive to visitors and citizens alike.

The dockland area has 4 km of water frontage. Over the years the dockland area gave huge employment and was our gateway to the world as far as commerce was concerned.

In the mid '80's this changed dramatically with the loss of some of our traditional industries such as Fords, Dunlop, Verolme etc with the result that the dockland area has been under utilised for quite a number of years now.

Our past may have been dependant on the docks and the city's future may very well again be down the docks area.

The upgrading and renewal of our City Centre with further improvements on the way have again made our City Centre attractive to both the businessperson and shopper alike. The inconvenience and interruptions caused to businesses during the improvements will in the long-term benefit the city centre as a whole.

Our city centre and suburban shopping centres all have the major brand names and Cork is indeed looked on as a very attractive location for investment and all the popular names to be found in Grafton Street in Dublin, Oxford Street in London can now be found on our door step here in Cork which is indeed a vote of confidence in the city itself.

Offices are also on the move in Cork City Centre. The last ten years has shown huge growth in the uptake of office space not only in city centre but also in Blackpool, Mahon and other suburban areas.

The redevelopment of what were considered secondary areas is indeed further proof of confidence in our city. It is also said that a crane count is a fair barometer of how a city is doing and on that score we are doing well.