

Russet Court

Ballintemple | Blackrock | Cork

PRIME RESIDENTIAL INVESTMENT



CUSHMAN &
WAKEFIELD



Russet Court

INVESTMENT HIGHLIGHTS



Excellent location within close proximity to Cork City Centre, Blackrock Village, Mahon Point and Marina Park



22 Residential units including seven 4 bedroom houses, fifteen 2 bedroom apartments and one commercial unit



All units are fully let currently producing substantial rental income



Generous unit sizes with two car spaces per unit



Unique opportunity to acquire 100% of the units within the development



Located within a wholly owned development

LOCATION

Cork city and suburbs with a population of over 222,000 people (Census 2022) is the Republic of Ireland's second largest city and the main commercial, retail, administrative and educational centre in the south. The city has relatively strong transport infrastructure generally and is easily accessed through its first tier port and international airport. It has regular long distance, regional and commuter rail services with connections to all major cities throughout the country and hourly bus and rail services to Dublin. Cork County is the largest county in Ireland and has a population in excess of 540,000 people. The population has grown in metropolitan Cork by 5.9% from 2019 to 2022.

The National Planning Framework Strategy (Project Ireland 2040) has set a target population growth of 130,000 for Cork City over the lifetime of the Plan meaning Cork is set to be the fastest growing Irish City over the coming years.

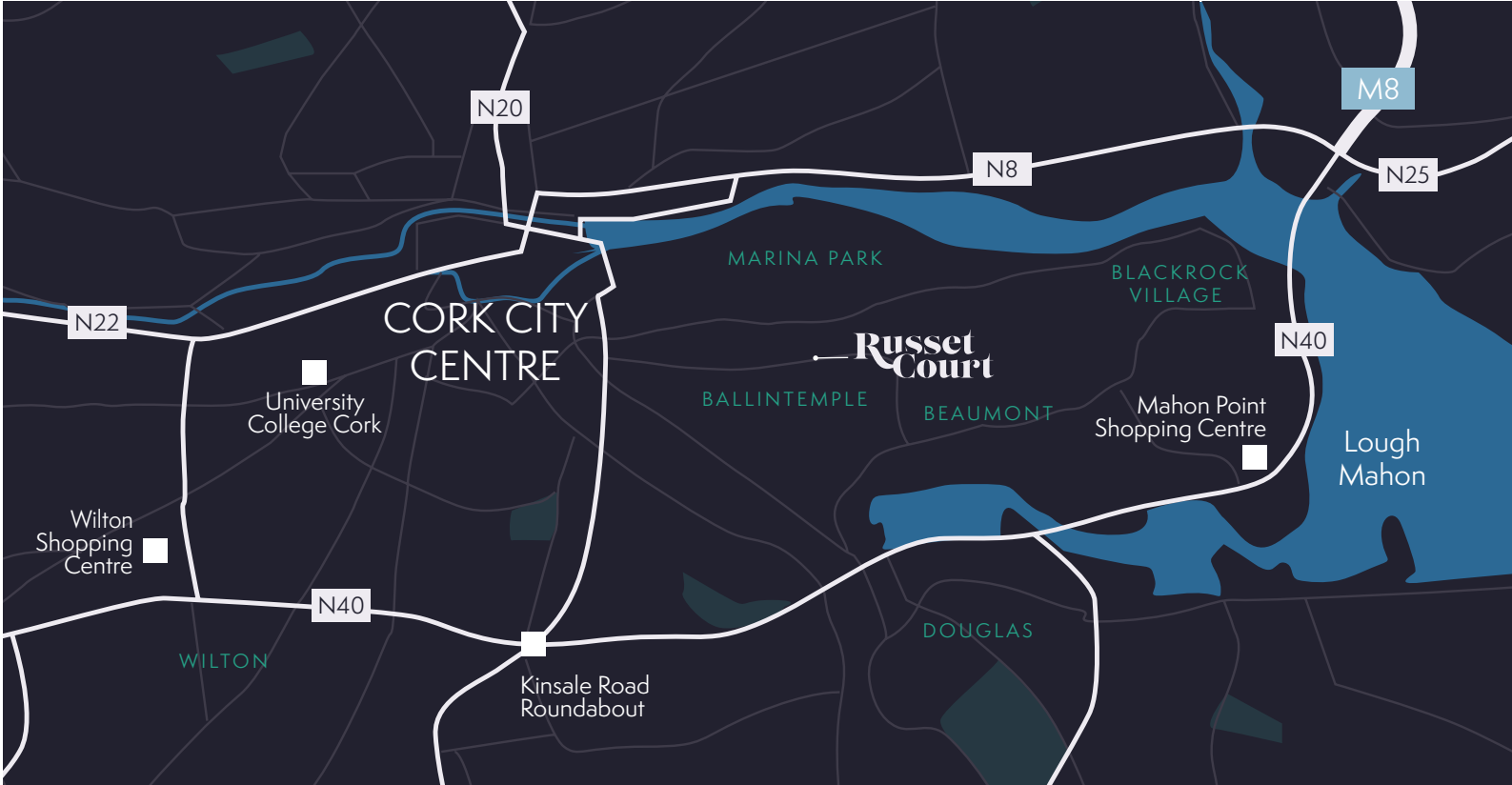
Russet Court

Russet Court is situated within 100m of the Blackrock Road in an unrivalled location within close proximity to the wide range of amenities which are available in both Cork City Centre (3km), Blackrock Village (1.5km), Douglas Village (3.5km) and Mahon Point (3.5km). The surrounding area is predominantly residential in character with mature estate type developments including Copperhill, Avondale Park, Beaumont Drive, Lindville and Clevehill.



AMENITIES

The immediate environs include Marina Park, Atlantic pond, Páirc Uí Chaoimh, Cork Constitution FC, Beaumont Park, Ballinlough Pitch & Putt Club and Blackrock Tennis Club are all in close proximity. Ursuline Convent Girls Secondary School, Ashton School and numerous Primary Schools are located in the vicinity of Russet Court.



CONNECTED

The location offers excellent access to and from the city centre and is also within close proximity to the South Link road which connects the property to Cork International Airport, Mahon Point shopping centre and West Cork.





DESCRIPTION

Russet Court is an attractive and exclusive development which was completed in the mid 2000's. The units are laid out in three blocks comprising a total of 15 two bed apartments, 7 four-bedroom houses as well as one ground floor commercial unit. The development is accessed via Churchyard Lane located just 100m from the Blackrock Road one of Cork's most desirable residential locations. Russet Court is set in an attractive easily maintained environment which includes ample car parking with two car spaces per unit. All units are of a generous size and are maintained to a high standard. The accommodation consists of 15 two bedroom apartments ranging from 575 sq ft to 695 sq ft and 7 four bed houses of 1,250 sq ft each.



15

Two Bed
Apartments



7

Four Bed
Houses



SPECIFICATION INCLUDES

Houses have private back-garden

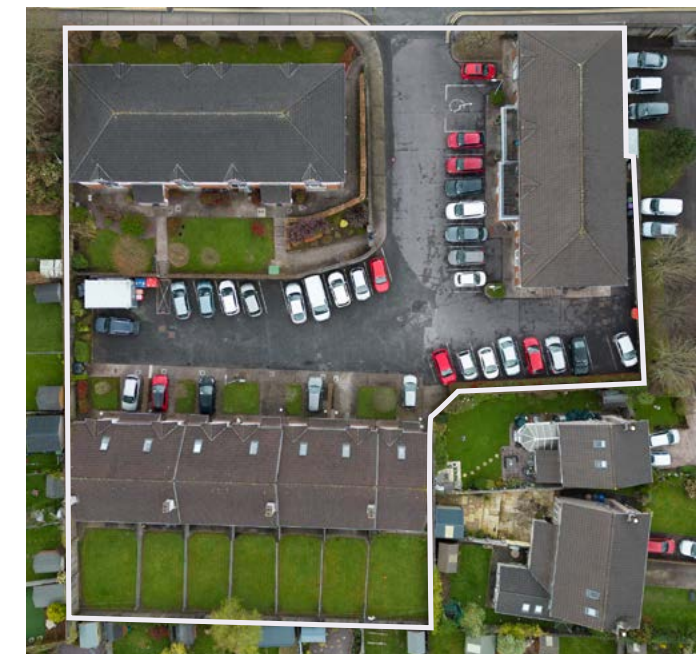
Guest WC and 2 en-suite bedrooms in houses

Balcony/Garden terraces in apartments

Fully fitted kitchens with appliances

Fitted wardrobes in bedrooms

Gas central heating

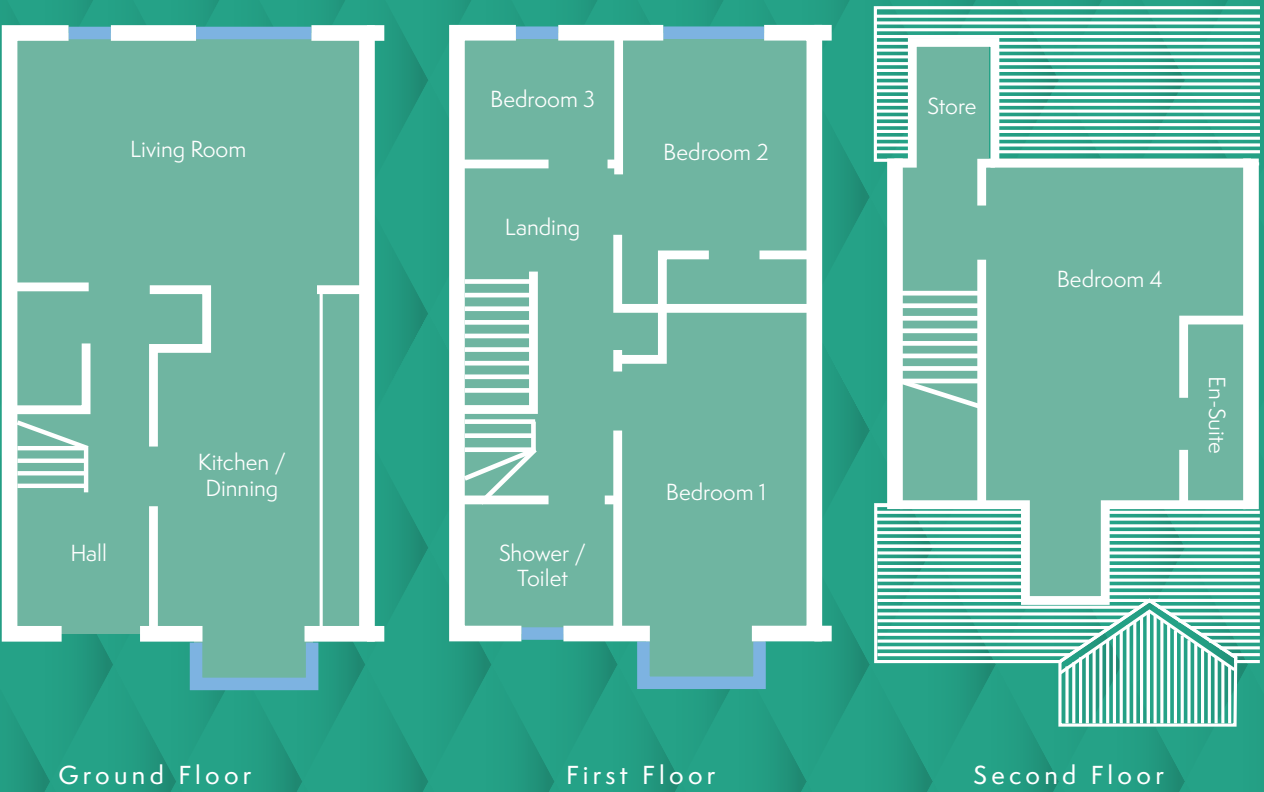


FLOOR PLANS

APARTMENT
Typical Layout



HOUSE



SCHEDULE OF ACCOMMODATION

Unit No	Type	Beds	Area Sq Ft	Area Sq m
1	1st Floor Apartment	2	575	53
2	1st Floor Apartment	2	575	53
3	1st Floor Apartment	2	575	53
4	1st Floor Apartment	2	575	53
5	Ground Floor Apartment	2	545	51
6	Ground Floor Apartment	2	650	60
8	Ground Floor Apartment	2	575	53
9	Semi-Detached House	4	1,250	116
10	Mid-Terrace House	4	1,250	116
11	Mid-Terrace House	4	1,250	116
12	Mid-Terrace House	4	1,250	116
13	Mid-Terrace House	4	1,250	116
14	Mid-Terrace House	4	1,250	116
15	Semi-Detached House	4	1,250	116
16	Ground Floor Apartment	2	680	63
17	Ground Floor Apartment	2	680	63
18	1st Floor Apartment	2	695	65
19	1st Floor Apartment	2	695	65
20	Ground Floor Apartment	2	680	63
21	Ground Floor Apartment	2	680	63
22	1st Floor Apartment	2	695	65
23	1st Floor Apartment	2	695	65
7	Ground Floor Office	N/A	615	57

TENANCY DETAILS

- Residential (tenants not affected)
- The entire scheme is occupied under standard residential tenancies
- Rental details on application

COMMERCIAL UNIT

- Let to Cope on an expired lease
- Rental details on application
- Tenant not affected

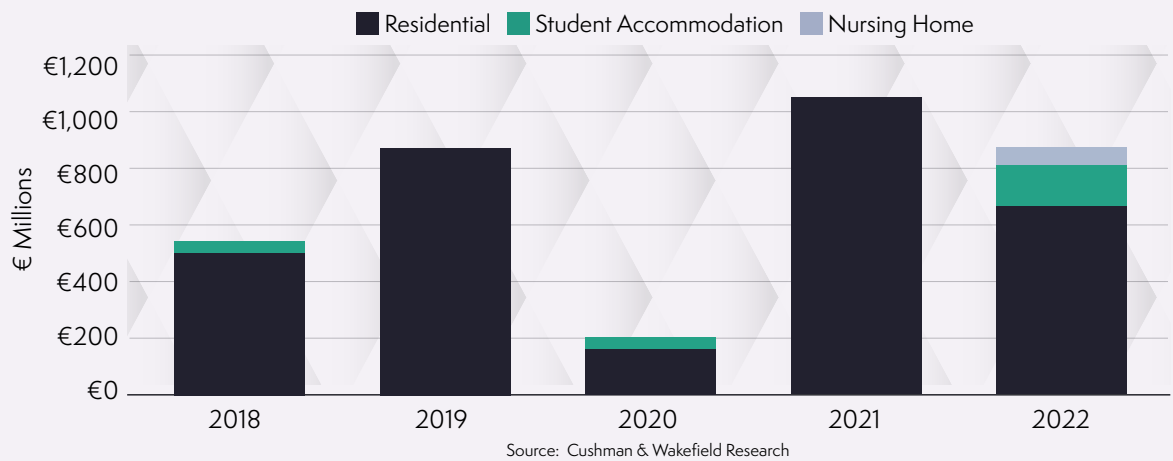
CORK RESIDENTIAL MARKET

The Irish living sector recorded robust levels of turnover in the second quarter of 2022, as strong domestic and international interest remains for the sector. April to June end recorded €499m across nine transactions. Combining this with investor momentum from the first quarter, living investment activity in the first six months of the year now stands at €877m.

This level of turnover represents a marginal decrease when compared with the identical period in 2021, but broadly speaking represents healthy levels of activity relative to the first six months of the year since the living sector truly emerged as an asset class in Ireland in 2018.

Similar to trends witnessed previously, the larger ticket items continue to be dominated

by forward commit transactions. With market players seeking scale, the sheer lack of standing stock has fuelled the drive of investors towards this style of investment. Of the turnover recorded in the first six months of the year approximately 80% was by way of a forward commit style arrangements, while 20% was income generating at the point of sale. However, when considering the longevity of this trend in the short term, it is certainly worth noting the effect construction cost inflation will undoubtedly have on investor choices. As building and materials costs soar, the viability of schemes under construction or due to commence construction is at the forefront of investors' minds when considering the terms of a forward style investment.



When analysing the breakdown of investment by type of asset class, unsurprisingly residential investment assets accounted for 76% of turnover in the first half of the year, while student accommodation accounted for 17%. Anecdotal evidence suggests the demand for PBSA investment opportunities across Europe is high and from a broad range of capital sources. From an Irish perspective, the strong occupational recovery for the academic year of 2021/22 reflects student demand for high quality accommodation, which has proven attractive to investors.

The attractiveness of the Irish living sector is evident by the continued strong presence of overseas capital in the market. Funds sourced from a foreign investor represented 63% of

capital in first six months of 2022, while domestic capital stood at 30% during the same period. The remaining capital is attributed towards joint ventures and confidential deals, accounting for 5% and 1% respectively.

Significant foreign players of recent include, Ares Capital, Union Investment, DWS, Greystar, LRC Group, Patrizia, Tristian Capital Partners, Kennedy Wilson, Orange Capital Partners, GIC, Blackrock to name a few. While the indigenous players of late include IRES REIT, Ardstone Capital, Irish Life, Carysfort Capital, Urbeo, Avestus Capital Partners and non-profit/AHBs such as Cluid Housing Association.

RENTAL GROWTH

The continued disparity between traditional private investors exiting and entering the market is triggering heightened rental inflation. According to the RTB, there were 10,414 new tenancy registrations in Q1 2022, which represents a decrease of 32% on the number of new tenancies included in the index the year previous.

Robust demand coupled with tight supply meant rental growth was recorded at both a national and regional level again in Q1 2022. According to the RTB rental index, national rents increased by 9.2% on an annual basis to €1,460 per month. This level of annual inflation is the highest rate since Q1 2019. In Dublin, average standardised rents sat at €2,015 per month in Q1 2022, this reflects a 3% increase in the quarter, while an 8.9% increase on an annual basis. Although rental caps will see rental increases in existing tenancies remaining much lower than this, the stark rise in rents achieved for new tenancies illustrates the continued upward pressure on the market.

As expected, rents in Dublin are significantly higher than the rental levels outside of the Greater Dublin Area where average standardised rents were €1,081 in the period. However, rental growth has been much more aggressive of late outside of Dublin than within the capital, with a forceful 12.1% recorded on an annual basis in the final quarter of 2021. For Q1 2022, rents outside the Greater Dublin Area have increased by 8.8% on an annual basis. In addition to location, there are of course variations in rental levels across houses and apartment. In Dublin, the standardised average rent for apartments stood at €1,975 per month, a 9.2% increase year-on-year.

MARKET OUTLOOK

In times of increased economic uncertainty, investing in a sector driven by demographic shifts rather than economic shifts is a logical investment approach. Although not immune to the changing environment, overall, the global living sector has proven resilient before, delivering growth and income in difficult times and should continue to do so.

From an Irish perspective, living investors have an important role to play in the delivery of accommodation developments. The summer period has seen a slowed approach to activity as employee annual leave plays a role, however overall sentiment remains evident due to the belief in underlying fundamentals and defensive characteristics of the asset class. To date, there is no evidence to support a change in values or yields in Ireland, however as the year progresses and the cost of debt rises, adjustments are anticipated. Given Ireland's competitive returns compared to other European locations, the adjustment is expected to not be of significant scale. It is expected that investor interest will be heavily concentrated in Dublin and predominately forward commitment style led.



Russet Court

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The properties are held under a Freehold Title

METHOD OF SALE

Private Treaty

VIEWING

By appointment with sole selling agent only

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www.russetcourtinvestment.com

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Apartments



Houses



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