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### **Draft Dublin City Development Plan**

### **“The Cost Impact of adding +10Sqm to a Typical House in 2015”**

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## Summary

There have been variety of estimates of the cost of additional floor space in recent public debates on housing<sup>1</sup>. Commentators have assumed a 10% reduction in area will convert to a pro-rata reduction in sales value. Over twenty years experience in the speculative residential sector suggests that this is not correct. Many confuse construction costs with sales values, omit site purchase/ carry costs and conflate apartment common areas with net apartment floor areas<sup>2</sup>.

Adding 10 Sqm to a typical house make it €12,386 more expensive to buy, adding a little more than 3% to the purchase price. Increasing performance from current DEAP A3 to "Passive House" standard for a house is a similar cost<sup>3</sup>. The expense to later extend a house and add-on one extra bedroom is a multiple of these figures. Experience shows that future-proofing is inexpensive.

Recent regulatory procedures have affected the feasibility of many projects, adding costs from €27,000 per apartment to over €50,000 for a single house<sup>4</sup>. One cost reduction suggestion is that if housing met improved space standards and performance criteria (such as PassiveHaus) it could fall under the "opt out" provisions of SI.365<sup>5</sup> and save the consumer €32,633. Rationalising Building Control Regulations could easily fund improved space and performance standards. Reducing Vat from 13.5% to 9% could save a further €13,466. This paper will look at the construction cost and sales value of a typical speculative built house including construction costs, regulatory costs, site value, profit and VAT.

## Current Context and Debate

Asking prices of existing housing for sale are still below reasonable construction costs in many parts of the country. NAMA are funding some well-known developers in Dublin but these are in the middle to upper end of the market and not aimed at first-time-buyers. Developers are working to recover site purchase costs and pay overheads, foregoing "margin" for wage and de-leveraging balance sheets. A prolonged recession has promoted a race to the bottom with professionals competing at cost. Professional bodies have urged members to charge appropriately<sup>6</sup>. A recent Knight Frank survey confirms that the majority of residential projects are schemes with less than 50 units. Budget 2015 initiatives appear ill-informed as to what will actually work and are light on practical measures to enhance housing supply. Falling planning application levels are confirmation of a lackluster industry reaction to recent budgetary efforts<sup>7</sup>.

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<sup>1</sup> Submission from Property Industry Ireland on the pre-draft Dublin City Development Plan 2016 – 2022.; [http://www.propertyindustry.ie/Sectors/PII/PII.nsf/vPages/Research\\_and\\_publications~pii-submission-on-draft-dublin-city-council-development-plan-14-01-2015/\\$file/PII+submission+on+draft+DCC+Development+Plan.pdf](http://www.propertyindustry.ie/Sectors/PII/PII.nsf/vPages/Research_and_publications~pii-submission-on-draft-dublin-city-council-development-plan-14-01-2015/$file/PII+submission+on+draft+DCC+Development+Plan.pdf)

<sup>2</sup> SCSi: Calls for apartments & suitable for family use in Dublin - Newstalk FM 5th August 2014; <http://www.newstalk.com/Calls-for-apartments-suitable-for-family-use-in-Dublin>

<sup>3</sup> Passipedia "Are Passive Houses cost-effective?" 17th Jan 2015; [http://www.passipedia.org/basics/affordability/investing\\_in\\_energy\\_efficiency/are\\_passive\\_houses\\_cost-effective](http://www.passipedia.org/basics/affordability/investing_in_energy_efficiency/are_passive_houses_cost-effective)

<sup>4</sup> Sunday Business Post "Building your own home will cost you, and how" Karl Deter, 19 April 2015: [http://clients.newsaccess.ie/customers/show\\_article.cfm?](http://clients.newsaccess.ie/customers/show_article.cfm?)

<sup>5</sup> DECLG "Information Note for Owners of new dwellings and extensions who opt out of Statutory Certification for building control Purposes": <http://www.environ.ie/en/Legislation/DevelopmentandHousing/BuildingStandards/FileDownload,42563.en.pdf>

<sup>6</sup> Engineers Ireland "Building Control (Amendment) Regulations 2014 and The New Regime"; <http://www.bregsforum.com/wp-content/uploads/2015/04/EI-Building-Regs-Guidance-March-2015.pdf>

<sup>7</sup> Irish Times 4th December 2015 "New homes schemes permissions fall 59% in Dublin": <http://www.irishtimes.com/life-and-style/homes-and-property/new-homes-schemes-permissions-fall-59-in-dublin-1.2451668>

In Dublin the average asking dwelling price is €306,540. Elsewhere the average is €166,677<sup>8</sup>. In 2012 the Irish Home Builders Association estimated the sales value of a typical house (including a land value of €25,000) was €248,685. This paper revises this figure to reflect recent site and other regulatory cost burdens introduced post 2012. The average now is €327,226. Reducing space standards will not address the gap between current asking prices and construction costs. It's a short term measure which will cost a multiple of initial modest savings later on. In the absence of meaningful efforts by government to reduce costs, asking prices will increase significantly before house building on any scale will commence.

For many private sector developers it is still is a waiting game. Asking prices need to rise to levels where a reasonable margin can be achieved otherwise pre-crisis inflated site purchase prices will be crystallised at a loss. Unless NAMA is prepared to build at cost (or below) they will continue to cater for the mid to upper level residential market in Dublin. Affordability for first-time-buyers will continue to deteriorate. The absence of any large-scale Local Authority housing programme will ensure that social housing supply will not improve.

### **Financing and Development**

According to financial sources high-street banks have over 20 criteria for existing customer development loan applications. Normal bank funding at 5% interest is available for half of the development cost only and applicants need a full unencumbered site plus 50% equity to fund the construction phase. It appears very difficult for many developers to meet these requirements. The next level of funding is from private lenders at between 12-15% interest and is available for 65% of total cost (including site purchase). Full 100% private finance may be available for site purchase and development but this is at 20% interest. At this level builders are working for a wage. Developments usually require a 20% margin (developers profit) on net sales including site costs to obtain funding in a normal lending environment. For this analysis and for direct comparison purposes, we will keep this at a minimum level of 15%.

### **Regulatory Barriers**

Further barriers to residential supply were created by Government with the introduction of complex and costly administrative Building Control procedures BC(A)R SI.9 in March 2014. Estimates for these costs vary from €27,000 for an apartment to over €50,000 for a self-built once-off house<sup>9</sup>. Conservative estimates last year of the cost of BC(A)R SI.9 to the residential sector were €500m per annum<sup>10</sup>. The RIAI estimate that time needed by professionals to administer new building control regulations for the housing programme will be between 2- 3 million "man hours" per annum (€200- €300m)<sup>11</sup>. This excludes contractor and other costs. BC(A)R SI.9 also applies to the non-residential sector and cost implications are a much wider concern. Industry experts

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<sup>8</sup> IBEC "State of Irish Property Market Q3 2015"; [http://www.ibec.ie/IBEC/Press/PressPublicationsdoclib3.nsf/vPages/Newsroom~new-report-on-state-of-irish-property-market-end-of-q3-2015-25-11-2015/\\$file/Property+Watch+Q3+2015.pdf](http://www.ibec.ie/IBEC/Press/PressPublicationsdoclib3.nsf/vPages/Newsroom~new-report-on-state-of-irish-property-market-end-of-q3-2015-25-11-2015/$file/Property+Watch+Q3+2015.pdf)

<sup>9</sup> "Building your own home will cost you- and how" Sunday Business Post, 19th April 2015; [http://clients.newsaccess.ie/customers/show\\_article.cfm?t=CD584B814E17491E6993F4153886B5A0&i=A7CBF7848C18EEB2F5291BB9DE8C37A0161D1D138945119981B140F4DD921E1A](http://clients.newsaccess.ie/customers/show_article.cfm?t=CD584B814E17491E6993F4153886B5A0&i=A7CBF7848C18EEB2F5291BB9DE8C37A0161D1D138945119981B140F4DD921E1A)

<sup>10</sup> M. Reynolds "Is red tape killing out housing sector", Dublin Economic Workshop 2015 <https://www.dropbox.com/sh/4say0lw3m5g2jci/AABEWlcrj5P3RRpJ6u4OcQua/MReynoldsDEW2015Paper SI.9 Multi Unit Costs M. Reynolds 141015.pdf?dl=0>

<sup>11</sup> Robin Mandal (RIAI president) discussing Longboat Quay This Week from Sunday 4 October, RTÉ Radio 1 [http://podcast.rasset.ie/podcasts/audio/2015/1004/20151004\\_rteradio1-thisweek-discussion\\_c20857054\\_20857100\\_232\\_20151004\\_rteradio1-thisweek-discussion\\_c20857054\\_20857100\\_232\\_.mp3](http://podcast.rasset.ie/podcasts/audio/2015/1004/20151004_rteradio1-thisweek-discussion_c20857054_20857100_232_20151004_rteradio1-thisweek-discussion_c20857054_20857100_232_.mp3)

believe SI.9 building control procedures add little in the way of consumer protection<sup>12</sup> and 98% of industry believe these regulations are a barrier to residential supply<sup>13</sup>.

Some companies are not passing on additional regulatory costs and as a result the capacity of firms to take on new projects is suffering. This procurement environment is not sustainable. With the recovery underway a hardening is being experienced not just in tender prices but also in professional fees. The current regulatory and procurement climate is reliant on low to non-existent margins to deliver projects at current levels. It is unrealistic to expect this situation to continue for an extended period and many have already observed sharp rises in construction costs<sup>14</sup>.

## Construction Costs and Sales Values

For a speculative housing many elements are fixed per unit costs irrespective of dwelling size. These include professional fees for statutory permissions, design team fees for construction and other stages (architects, engineers and surveyors), testing (acoustic and soil) and site purchase/development costs. The "base build" cost of a typical dwelling includes walls, floors and roof. This element is floor area dependent. The remainder for finishing out- heating, electrics, bathrooms, kitchens, windows & doors along with siteworks, demolition, roads, paths and drainage are mainly fixed costs irrespective of unit size. There are financing costs for the total development, site purchase, carry cost and phasing, which is a particular issue with BC(A)R SI.9 building control procedures<sup>15</sup>. On completion there are sales costs, legals, marketing, developer's profit or margin (usually 20%) to allow for any future price fluctuations and VAT on sales at 13.5%.

### Irish Home Builders' Association : Walsh Associates "Costs for a 3 bed house" (2012):

A number of quantity surveyors produce construction cost tables on an annual basis<sup>16</sup>. This revised 2015 development appraisal is based on a detailed 2012 Walsh Associates<sup>17</sup> cost breakdown for a 110Sqm house commissioned by the Irish Home Builders Association, with inflation between 2012-2015 assumed of at 4.3%<sup>18</sup>. It would appear that this costing has been the basis for many estimates quoted by stakeholders in the media. **The 2012 Report confirmed a "base build" construction cost of €91,598 and a projected sales value (including site value & vat) of €248,685.** (see detailed cost table in Appendix A)

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<sup>12</sup> BC(A)R SI.9 Submission: The Legal Environment and Consumer Protection | Deirdre Ní Fhloinn: <http://www.bregsforum.com/2015/05/27/bcar-si-9-submission-series-no-3-the-legal-environment-and-consumer-protection-deirdre-ni-fhloinn/>

<sup>13</sup> Knight Frank Residential Survey 2015: <http://www.digi-flips.com/digiflips/fob/kf/b8775987/digi-flipbook.html>

<sup>14</sup> Ireland, Knowledge Centre - Bruce Shaw; <http://www.bruceshaw.com/knowledgecentre/chapters/ireland/bruce-shaw-tender--cost-indices>

<sup>15</sup> Mairead Phelan "Building Control Regulations 2014 & 2015 Multi-unit Housing and Building Control", UCD CPD "Regulating Housing Part 1" 19 November 2015; <https://drive.google.com/folderview?id=0BxfQwMKnCvNoa2dvU1lqcXluUTQ&usp=sharing>

<sup>16</sup> Ireland, Knowledge Centre - Bruce Shaw "House construction cost index": <http://www.bruceshaw.com/knowledgecentre/chapters/ireland/house-construction-cost-index>

<sup>17</sup> For Walsh Associates costing see here: <http://www.walsh-associates.ie/wordpress/wp-content/uploads/2014/06/Report-On-Construction-Cost-of-3-Bedroomed-Semi-Detached-House-31-May-2012.pdf>.

<sup>18</sup> To allow for inflation we can use the construction price index at the CSO website to update- Here's a link: <http://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/saveselections.asp> or alternately this link: House Construction Cost Index (Base Jan 1991=100) by State and Month - StatBank - data and statistics: <http://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?MainTable=HSM09&TabStrip=Select&PLanguage=0&FF=1>

## Detailed 2015 cost for a typical 110Sqm house

Revised costs include the following items previously excluded in 2012 Walsh Assoc. version:

- 1) Site cost are now included. The cost per acre is based on the purchase price of lands in Cherrywood at €625,000 per acre (Hynes site), assumes a density of 15 houses per acre and a €41,670 cost per site. Land values noted in 2012 Walsh costing were €25,000.
- 2) A realistic developer's profit on total net sales including site cost (kept at 15%).
- 3) "Additional supervision" for BC(A)R SI.9 for contractors and professionals of €25,000<sup>19</sup>.
- 4) Increased phasing carry cost on the basis of all siteworks being completed before first phase sells then carried for remainder of project (due to BC(A)R SI.9).
- 5) Further increase in Part L costs since 2012 (assumed €5,000)

The revised costing is for a typical 3 bed semi-detached 110 Sqm house in a scheme (1- 2 acres) with less than 50 units, completed in three phases with an 18 month construction programme. **The revised 2015 construction cost of a typical 110sqm house is € 100,402, and the projected sales price at € 327,262.** (Note for detailed cost breakdown refer to Appendix B)

### 2015 COST AND SALES VALUE FOR A 110Sqm HOUSE (Dublin Outer-urban)

<i>Element</i>	€
“ <b>Base Build Cost</b> ” (incl. Part L) =	<b>100,402</b> (2015)
External Works, Site Development, indirect costs + contingency	<u>39,713</u>
Overall construction sub-total	140,115
Contractors admin & SI9 specification costs 5%	<u>8,500</u>
Overall construction total costs	148,615
Financial contributions, Part V, SI.9 phasing cost	26,600
sales costs, consultant fees, Site and building finance	<u>24,810</u>
	<u>51,410</u>
Subtotal other costs	200,025
SI9 other costs	<u>9,100</u>
Subtotal incl. SI.9 costs	209,125
Site cost (purchase price) <sup>20</sup>	<u>41,600</u>
Sub-total cost incl. site cost (ex developer profit)	250,725
Margin of risk (developer's profit) minimum 15%	<u>37,613</u>
Total sales price excluding vat	288,337
Vat @ 13.5%	<u>38,926</u>
<b>TOTAL SALES VALUE</b>	<b>327,262</b>

<sup>19</sup> Assumed design certifier costs are done for free by Architects, and Homebond employed undertake an "all-in-one" Assigned Certifier cost (incl. DLI) of €2300 excluding vat.

<sup>20</sup> The cost per acre is based on Hynes purchase price in Cherrywood at €625,000 per acre, assume 15 houses per acre density or €41,670 per site. Smaller serviced land parcels will be more expensive. Includes carry cost.

### **Possible Cost Reductions:**

Possible cost reductions are listed in order of magnitude. Most of the following cost reductions could be achieved by Local Authorities controlling procurement of social housing projects:

- Reduction of site cost (Co-Housing initiatives<sup>21</sup>): €41,600
- Removal developer's profit: €37,613
- Re-introduce Local Authority Inspections, exempt SI.9: (8,500+ 6,000+10,600)= €25,100
- Reduce VAT on sales (from 13.5% to 9%) -4.5%= €12,975
- Remove Part V (unnecessary if 100% local authority social housing): €10,000

By removing developer's profit, passing on lower site costs, introducing a system of Local Authority Building control inspections and reducing VAT, sales values could be reduced €127,288, by over 38%. For speculative housing, rationalising BC(A)R SI.9 and reducing VAT could deliver a 10% cost saving. In contrast reducing net usable floor area is far less effective at reducing costs.

### **Impact of increasing Space Standards on Cost/ Sales Value (+10 Sqm)**

Industry and media debate has suggested that consumers are paying over the odds for additional floor space and increased performance (e.g. PassiveHaus Standard). In practice the cost to increase performance from A3 to Passive is small. Items such as bathrooms, windows, stairs, and now MVHR mechanical and electrical etc. are fixed costs and remain unaffected by increases (or decreases) in floor area.

For apartments the situation is similar. Apartment "base build" floor areas excludes common areas (corridors and lifts/ stairs cores) and carparking which are fixed costs and not dependent on unit size. Innovative designs can reduce common areas, lift cores and stairs can give a considerable cost savings<sup>22</sup>. For example deck access with dual aspect duplex units can reduce corridor space. In this submission typical "own door" multi-unit housing will be examined.

The "shell and core" of a house excludes heating and water services, bathrooms and kitchens. Removal of these items costing € 21,444 from the "base build" construction cost of € 100,402 gives an building envelope cost of € 78,958 (see appendix C for breakdown).

Based on this figure an additional 10 sqm floor space will add €8,400 to the "base build" cost, similar to recent SCSi cost estimates<sup>23</sup>.

***The following appraisal lists the construction cost of a typical 120 Sqm house at € 109,000 and a projected sales price at € 339,648. (for detailed cost breakdown see Appendix D).***

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<sup>21</sup> UK Cohousing Network; <http://cohousing.org.uk/>

<sup>22</sup> IBEC "State of Irish Property Market Q3 2015" p21; [http://www.ibec.ie/IBEC/Press/PressPublicationsdoclib3.nsf/vPages/Newsroom~new-report-on-state-of-irish-property-market-end-of-q3-2015-25-11-2015/\\$file/Property+Watch+Q3+2015.pdf](http://www.ibec.ie/IBEC/Press/PressPublicationsdoclib3.nsf/vPages/Newsroom~new-report-on-state-of-irish-property-market-end-of-q3-2015-25-11-2015/$file/Property+Watch+Q3+2015.pdf)

<sup>23</sup> SCSi base-build estimate of a 110 Sqm house at €103,965 with sales price of €256,466 excluding site cost and "additional supervision"; see SCSi "Policy Options for Supporting the Provision of Housing at Affordable Prices" Tony Foley (SCSi) 2015, p26; [https://www.scsi.ie/documents/get\\_job?id=676&field=file](https://www.scsi.ie/documents/get_job?id=676&field=file)

## 2015 COST AND SALES VALUE FOR 120SQM HOUSE (Dublin Outer-urban)

<i>element</i>	€
<b>“Base Build Cost” (+ 10 Sqm incl. Part L) =</b>	<b>109,000</b>
External Works, Site Development, indirect costs + contingency	<u>39,712</u>
Overall construction sub-total	148,712
Contractors admin & SI9 specification costs	<u>8,500</u>
Overall construction total costs	157,212
Financial contributions, Part V, SI.9 phasing cost	26,600
sales costs, consultant fees, Site and building finance	<u>25,706</u>
	<u>52,306</u>
Subtotal other costs	209,518
SI9 other costs	<u>9,100</u>
Subtotal incl. SI.9 professional supervision/ test costs	218,618
Site cost (purchase price incl. carry cost)	<u>41,600</u>
Sub-total cost incl. site cost (excl. developer profit)	260,218
Margin of risk (developer's profit) minimum 15%	<u>39,032</u>
Total sales price excluding vat	299,250
Vat @ 13.5%	<u>40,398</u>
<b>TOTAL SALES VALUE</b>	<b>339,648</b>

### Conclusion

An increase of 10 Sqm floor area to a speculative-built typical 3 bed house adds little more than 3% to the purchase price. The full cost of adding the equivalent of an extra bedroom is €55 per month (30 year term) at current lending rates. A small price to pay for a big improvement in living standards. A combination of removing BC(A)R SI.9 regulatory barriers and reducing VAT could save almost 10% on the purchase price of the same house. Bigger dwellings, better performance at no extra cost<sup>24</sup>.

Local Authority procurement of housing has the potential to yield improvements in both space standards and performance while delivering massive savings, with reductions of 38% less than the equivalent speculative house sales price. Generous space standards and high standards can be delivered for social housing at a much lower cost.

The Department of the Environment and Local Authorities should be looking at reducing costs rather than space standards. **Reduce red-tape, lower costs and improve quality.**

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<sup>24</sup> Sunday Business Post "Building your own home will cost you, and how" Karl Deter, 19 April 2015: [http://clients.newsaccess.ie/customers/show\\_article.cfm?t](http://clients.newsaccess.ie/customers/show_article.cfm?t)

APPENDIX A:

**IHBA: Walsh Associates Cost study of a 3 Bedroomed Semi Detached House, May 2012 p3**

Cost Study of 3 Bedroomed Semi Detached House

Item	Cost	Cost/sqft
<b>House Costs (Floor Area 1,189 sqft)</b>	<b>€</b>	
Foundations and Floor slab	€6,600	€5.55
Masonry Works including budget for features to front elevation	€14,343	€12.06
Carpentry Materials & Labour incl Stairs, doors, stud partitions, skirting boards etc.	€11,302	€9.51
Roof trusses, roof finishes (concrete tile), rainwater goods	€7,839	€6.59
Windows and External Doors	€6,320	€5.32
Plasterwork and Painting and budget for tiling	€14,524	€12.22
Heating and Water Services	€7,837	€6.59
Electrical Installation (incl security alarm)	€3,658	€3.08
Kitchens, Wardrobes & Fire places	€9,092	€7.65
Insulation up grade to Part L , BER, Air Tightness membrane, tests, supervision of air tightness	€5,068	€4.26
Renewable Energy Requirements (Solar Panels)	€5,016	€4.22
<b>Sub Total House Cost</b>	<b>€91,598</b>	<b>€77.04</b>
<b>External Works</b>		
Drainage Services Around House	€2,090	€1.76
Boundary walls and fences, metal gates etc	€3,675	€3.09
Footpaths and Paving around House, driveways etc	€4,788	€4.03
Topsoil and seeding to Gardens	€620	€0.52
<b>Sub Total External Works</b>	<b>€11,173</b>	<b>€7.64</b>
<b>Site Development Works</b>		
Site Clearance, topsoil removal, adjusting site levels	€1,145	€0.96
Site Enclosures, site boundaries, entrance piers, sub stations etc.	€1,687	€1.42
Roads, footpath, play areas, allowance for road widening at entrance	€4,788	€4.03
Foul and surface watermain and drainage; including Local Authority Fees	€3,748	€3.15
Site services including Power, Phone, TV Providers, Public Lighting, gas supply	€2,043	€1.72
Landscaping of Public Areas, Play fittings, seating, bollards etc.	€1,642	€1.38
<b>Sub Total Site Development Works</b>	<b>€15,053</b>	<b>€12.66</b>
<b>Site Indirect Costs</b> including Scaffolding, Site Supervision, Health & safety, Small tools, power, site accommodation, site security; Insurance; Homebond Insurance	€6,850	€5.76
Building Contingency for Unforeseen Items	€5,000	€4.21
<b>Overall Construction Total</b>	<b>€129,674</b>	<b>€107.30</b>
<b>Other Costs</b>		
Financial Contributions and Local Authority Bonds (see notes on costing)	€15,500	€13.04
Part V Contribution to Local Authority	€5,000	€4.21
Showhouse/ Advertising & Marketing / Sales & legal Fees	€8,000	€6.73
Consultant Design Fees (excludes additional supervision)	€6,200	€5.21
Site & Building Finance	€7,000	€5.89
<b>Sub Total Other Costs</b>	<b>€41,700</b>	<b>€35.07</b>
<b>Margin of Risk:</b> Amount to cover profit / sales variables (15%)	€25,706	€21.62
<b>Overall House Cost</b>	<b>€197,080</b>	<b>€165.75</b>

Notes on Costs

The amount charged for Planning Contributions can vary from between local Authorities.

*Note: Above costs exclude site value of €25,000 and Vat of 13.5%.*

***When site value (€25,000) and VAT is included the total sales value is €248,685.90.***

## APPENDIX B

### 2015 CONSTRUCTION COST AND SALES VALUE FOR A 110 SQM HOUSE (Dublin outer-urban)

Base on Walsh Associates 2012 costing, indexed up for inflation @4.3%, incl. items listed p6

<b>Element</b>	<b>€</b>
Subtotal House costs: 91,859 (2012) + 4.3% (3950) =	95,809 (2015)
Add in increase Part L (5%)=	<u>4,593</u>
<b>Revised sub-total house costs ("Base Build" cost) =</b>	<b>100,402</b>
External Works= 11.17k + 4.3% (480)	11,653
Site Development works 15.05k + 4.3% (647)=	15,700
site indirect costs + contingency 11.85k + 4.3% (510)=	<u>12,360</u>
	<b>39,713</b>
Overall construction sub-total	140,115
Contractors admin SI9 2k	2,000
SI9 Defensive specification costs 5%	<u>(6500)</u>
subtotal contractor's SI.9 costs	<b>8,500</b>
Overall construction total costs	148,615
Financial contributions- assume KCC (higher if DCC)	10,600
Part V contribution (+5k, similar to SCSi estimate)	10,000
showhouse/ sales costs 8k + 4.3% (344)	8,344
consultant fees 6.2k + 4.3% (266)	6,466
Site and building finance 7k (assume 12% not 5%) +3k	10,000
SI.9 phasing finance cost (carry cost per unit)*	<u>6,000</u>
	<b>51,410</b>
Subtotal incl. other costs	200,025
<u>SI9 other costs</u>	
Part L compliance per unit (fRsi/ Wufi)	1,300
Acoustic tests (1.5k per room x 2 per house)	3,000
Ancillary Certifier SI.9 costs**	2,300
Ancillary Certifier fees (engineers)	<u>2,500</u>
	<b>9,100</b>
Subtotal incl. SI.9 professional supervision/ test costs	209,125
Site cost ***	<u>41,600</u>
Sub-total cost incl. site cost (ex developer profit)	250,725
Margin of risk (developer's profit) minimum 15%	<u>37,613</u>
Total sales price excluding vat	288,337
Vat @ 13.5%	<u>38,926</u>
<b>Total sales value including vat, developers profit, site etc.</b>	<b>327,262</b>

\*Phasing costs assumed at 12% financing cost for site infrastructure

\*\*Assume Homebond "all-in-one" Ancillary Certification, Design Certifier done by architect for free

\*\*\* Site cost based on Hynes purchase of Cherrywood 400 acres for €250m; assume 15 per acre density

APPENDIX C

**“BASE BUILD” COST OF AN ADDITIONAL 10SQM FLOOR SPACE**

The cost of additional floor space excludes windows, services, bathrooms and kitchens. To extract out the cost for “shell and core” building envelope only, we need to remove these cost elements out of the costing as follows:

<i>element</i>	€
Subtotal House costs:	<b>100,402</b>
<i>assume windows and external doors included</i>	-
heating and water services	8,173
electrical installation (including alarm)	3,815
kitchens, wardrobes and fireplaces	<u>9,456</u> (21,444)
Shell and Core (envelope)	78,958

The net cost for additional shell and core floor space is € 78,958 / 110Sqm= 717 Per Sqm.  
Allow larger per Sqm rate incl. decoration of walls/ ceiling etc. of €860 per SqM

Cost for 10 Sqm= €860 x 10 = €8,600

**Total increase in “Base Build” cost** = **€8,600**  
*including Part L, excluding vat,  
other costs & developer’s profit.*

**APPENDIX D**

**2015 CONSTRUCTION COST AND SALES VALUE FOR A 120 SQM HOUSE (Dublin outer-urban)**

*An additional 10 sqm gross floor space is added to the previous costs for a typical 110sqm house.*

<b>Element</b>	<b>€</b>
Subtotal House costs 110 SqM incl Part L: =	100,402
+ 10 Sqm additional floor area=	<u>8,600</u>
<b>Revised sub-total house costs (rounded-up “Base Build” cost) =</b>	<b>109,000</b>
External Works=	11,652
Site Development works=	15,700
site indirect costs, building contingency=	<u>12,360</u>
	<u>39,712</u>
Overall construction sub-total	148,712
Contractors admin SI9	2,000
SI9 Defensive specification costs 5%	<u>(6500)</u>
subtotal contractor's SI.9 costs	<u>8,500</u>
Overall construction total costs	15,212
Financial contributions	10,600
Part V contribution	10,000
showhouse/ sales costs	9,240
consultant fees	6,466
Site and building finance	10,000
SI.9 phasing finance cost (carry cost per unit)*	<u>6,000</u>
	<u>52,306</u>
Subtotal incl. other costs	209,518
SI9 other costs	
Part L compliance per unit (fRsi/ Wufi)	1,300
Acoustic tests (1,500 per room x 2 per house)	3,000
Ancillary Certifier SI.9 costs**	2,300
Ancillary Certifier fees (engineers)	<u>2,500</u>
	<u>9,100</u>
Subtotal incl. SI.9 professional supervision/ test costs	218,618
Site cost***	<u>41,600</u>
Sub-total cost incl. site cost (excl. developer profit)	260,218
Margin of risk (developer's profit) minimum 15%	<u>39,032</u>
Total sales price excluding vat	299,250
Vat @ 13.5%	<u>40,398</u>
<b>Total sales value including vat, developers profit, site etc.</b>	<b>339,648</b>

**Notes:**

*Assume 1% included in show unit sales costs for legals etc.*

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*\*\*Assume Homebond “all-in-one” Ancillary Certification, Design Certifier done by architect for free*

*\*\*\* Site cost based on Hynes purchase of Cherrywood 400 acres for €250m; assume 15 per acre density*