

Comhairle Cathrach
& Contae **Luimnigh**

Limerick City
& County Council

14th December, 2021

To: The Cathaoirleach and each Member of the Metropolitan District of Limerick

Proposed Disposal of Land at Long's Lane, Limerick.



1. Introduction.

It is intended that the following proposed disposal of land (map and photos attached in this report) will be included on the Agenda for the January Full Council Meeting:

Disposal of land, Long's Lane, Limerick to The Absolute Hotel Limerick Limited in the sum of €125,000.

2. Description and Location of the land.

The subject land is situated adjacent to the Absolute Hotel, Sir Harry's Mall and is within a short walking distance of Limerick City Centre. It is an irregular shaped/site of approximately 530 metre squared (0.13 acres). The land is located in an area which is zoned "city centre area" under the Limerick City Development Plan 2010-2016 (as extended). Any development site is subject to a Flood Risk Assessment as part of any planning application as required under the Flood Risk Management Guidelines for Planning Authorities.

3. History of the Land.

The land was acquired as part of the Kings Island Abbey Area CPO 1989.

4. Key Elements of Proposal

The Absolute Hotel Limerick Limited intend applying for planning permission to develop 28 short stay accommodation units with parking on the site. It is envisaged that the capital cost of the proposed development will be in the order of €8m - €9m. If the acquisition is approved, it is envisaged that the planning process could take 18 months with a build time of an additional 18 months. The development will create additional employment opportunities for the residents of the surrounding area. Employment opportunities will be in the service and administration roles. It is expected that up to 20 new permanent opportunities will be created by the development.

5. Valuation of the Property.

Power Property (PPG) were instructed by Limerick City and County Council to provide a valuation for the lands at Long's Lane comprising 530 metre squared (0.13

acres). In providing their valuation they have had regard to their knowledge and understanding of the market.

In response to comments and observations made at the Meeting of the Metropolitan District Meeting held on Monday, 18th October, 2021, I wish to reply as follows:

- **Sale of Properties at 1 and 2 Long's Lane**

The sale of these derelict properties at 1 and 2 Long's Lane included 2 no. residential dwellings albeit in a very poor state of repair. However, given the fact that there are two dwellings on the site one could assume planning permission would be granted for refurbishment and/or redevelopment. It is considered that this would have a bearing on the price paid given that 1 and 2 Long's Lane are two houses and the lands subject to this disposal are an irregular shaped site. These properties were for sale on the open market.

- **Sale of Property at 3 and 4 Long's Lane**

It is noted that the sale of 3 and 4 Long's Lane equated to over €8 million an acre. The sale at 3 and 4 Long's Lane was in respect of a property that was being sold by a third party to a purchaser with a very special interest.

This comparison was an off market transaction and for the avoidance of doubt the property was never put on the open market. This transaction represented a private treaty sale between two parties, one of whom can best be described as having a special purchaser interest.

As per the Property Price Register:

22/11/2019 No. 3 Long's Lane sold for €65,000.

29/1/2020 No. 4 Long's Lane sold for €40,000.

26/5/2021 No. 3 Long's Lane sold for €345,000.

- **Property for Sale at 4 Robert Street**

This site was made reference to by a Councillor at the recent Metropolitan Meeting for comparison purposes. From a valuation perspective - guide prices do not represent a market transaction as they are purely a guide and no sale has been concluded.

No. 4 Robert Street is a substantial old Mill Building. The guide price is €450,000, however, the agent for the property has advised that there are currently no offers.

The property at Robert Street would have development potential and has the benefit of being located in Limerick City Centre within a walk of Cruises Street and adjacent to the Opera Centre Site. The location of the property in Robert Street is far superior to Sir Harry's Mall and it should also be noted that there is a substantial 5 storey Mill Building included in the price.

- **Valuation Approach**

In arriving at an Opinion of Value a Valuer will always provide his or her professional opinion based on their knowledge and understanding of the market together with having regard to various sales comparisons.

Usually the comparisons are analysed by a Valuer in terms of location, zoning, quantum of space and other factors including whether it is a greenfield site, brownfield site, a shape of site etc.

One significant comparable that was reviewed in this case was the sale of a 0.6 acre site at Greenfields/Childers Road which sold for €311,000 in March, 2021. This was the sale of a far superior site, which equated to €518,000 per acre.

- **Valuation of the Lands by the Absolute Hotel**

The Absolute Hotel undertook their own valuation of the land by an established Valuer. They shared the details of the valuation with the Council and the amount of their valuation for the same piece of land is €75,000.

6. Economic Benefit

This proposed development by The Absolute Hotel will bring a substantial economic development dividend to the City. The Absolute Hotel Group have been looking to assemble this site for many years to improve and modernise the general area around the Hotel and provide a better offering to visitors.

The Capital investment in the construction of the new Serviced Apartments costing approximately €9 million will create a significant number of construction jobs both on the site and with suppliers. As construction takes place locally, money is spent in the local economy and this supports local jobs.

In addition to the construction economic benefits, it is envisaged that the hotel will create an additional 20 jobs because of the investment. Again, this will be twenty local people working in the hotel and spending in the local economy.

The construction of the 28 short stay apartments will increase the hotel bed numbers in the city and provide additional capacity to accommodate more tourist and commercial visitors to the city. Figures from 2019 before the impact of COVID showed that there were 11.3 million overseas visitors into Ireland bringing with them a spend of €6 billion supporting 325,000 jobs. This does not include the economic benefit of domestic travellers. A recent study estimated the average per capita daily spending on tourism in Ireland in 2019, of International visitors at €96/day and domestic at €71/day.

There are many economic and local benefits that result from developments like this proposed by the hotel been enabled by the local authority to proceed and these include;

- Large number of construction Jobs and salaries
- Construction spend on plant and materials
- Permanent hotel jobs and salaries
- Increased tax and VAT income for government
- Commercial rates for the local authority
- More bed nights in city and visitor spend in shops and hospitality
- Spend in local shops and restaurants by visitors
- Major improvement to the street and public realm.

7. Executive Recommendation to Council.

The proposal before the Members is to note the proposed disposal of the land to The Absolute Hotel Limerick Limited in the sum of €125,000. If the proposal is not approved the land will not be put on the open market for sale but will remain under the remit of the Housing Directorate.

Jayne Leahy,
Head of Property & Community Facilities,
Community, Tourism and Culture Directorate,
Limerick City & County Council.

Appendix


Location Map – Property marked in red



Land for proposed disposal highlighted in Red on the map, outlined area approximately 0.13Acres/0.53 Hectares



L:\FN_Property_01 (Property Services)\Property Drawings\1. Agreement Maps\AGS051 - Proposed Disposal of land at Long Lane St Harrys Mallway

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DO NOT SCALE from the drawing. Use square dimension to check all dimensions or take prior to commencement of works. Any discrepancies are to be referred to the designer.				CHECKED: BH JOB NO: FILE NAME:		DRAWING TITLE: Proposed Licence DRAWING NO: AG5051 SHEET: A4 REVISION: -			
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Photos of Property



