



*A vibrant community offering a new way of living*



## Clonburris Strategic Development Zone (SDZ) Draft Planning Scheme

# Employment Floor Area Demand Study

September 2017



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## 1 Introduction

### 1.1 Background

MacCabe Durney Barnes has been commissioned by South Dublin County Council to prepare an Employment Floorspace Demand Study for Clonburris Strategic Development Zone (SDZ). Establishing a quantum of floorspace will contribute to the urban structure/form of the urban centres in the SDZ. The brief was as follows:

1. Define the study area, the relevant catchment for the study and terminology.
2. Review current policy context including the South Dublin County Development Plan 2016-2022, the Clonburris SDZ Planning Scheme and Local Area Plan (2008), Local Economic and Community Plan 2016-2022, Jobs Strategy (2014) and the Dublin Regional Enterprise Strategy (November 2016).
3. Undertake a comparative analysis of similar centres in the Greater Dublin Area.
4. Review the potential impact of major infrastructure projects.
5. Prepare a supply assessment having regard to existing floor area surveys, zonings, current market availability and vacancy rates.
6. Prepare a demand assessment having regard to local and regional demand factors, estate agents' reports, IDA/FDI/employer demands, yields/rents, with a forecast of demand.
7. Undertake a gap analysis between supply and demand.
8. Make recommendations.

### 1.2 Clonburris SDZ Planning Scheme Review

The Planning and Development Act 2000 (Designation of Strategic Development Zone: Balgaddy-Clonburris, South Dublin County Council) S.I 604 of 2015 came into operation on the 25<sup>th</sup> December 2015. The order designated 280 ha of lands in accordance with Part IX of the Planning and Development Act 2000 as amended for *“residential development and the provision of schools and other facilities, commercial activities, including employment office, hotel, leisure and retail facilities, rail infrastructure, emergency services and the provision of community facilities”*.

Prior to the 2015 Government Order, the lands were divided into three distinct areas:

- The Clonburris Strategic Development Zone, covering approximately 180ha of land, designated under the 2006 Government Order (SI No. 442 of 2006).
- The area covering c.80ha, a designated Local Area Plan in accordance with Local Objective 26 of the South Dublin County Development Plan 2004-2010.
- Additional lands to the east of the R120 totalling 20ha.

The 2015 Order extended the SDZ designation boundary. It required the preparation of a draft planning scheme within two years of the adoption of the Order. The site is located west of the M50 and south of the N4. Both the Kildare Railway Route and the Grand Canal cross the SDZ area. The lands are located south of Lucan, north east of Grange Castle Business Park and north west of Clondalkin. Adamstown is located to the west. Lucan Newlands Road, Ninth Lock Road, the R120 and Clonburris Great form the boundary.

**Figure 1: Clonburris Planning Scheme Area**

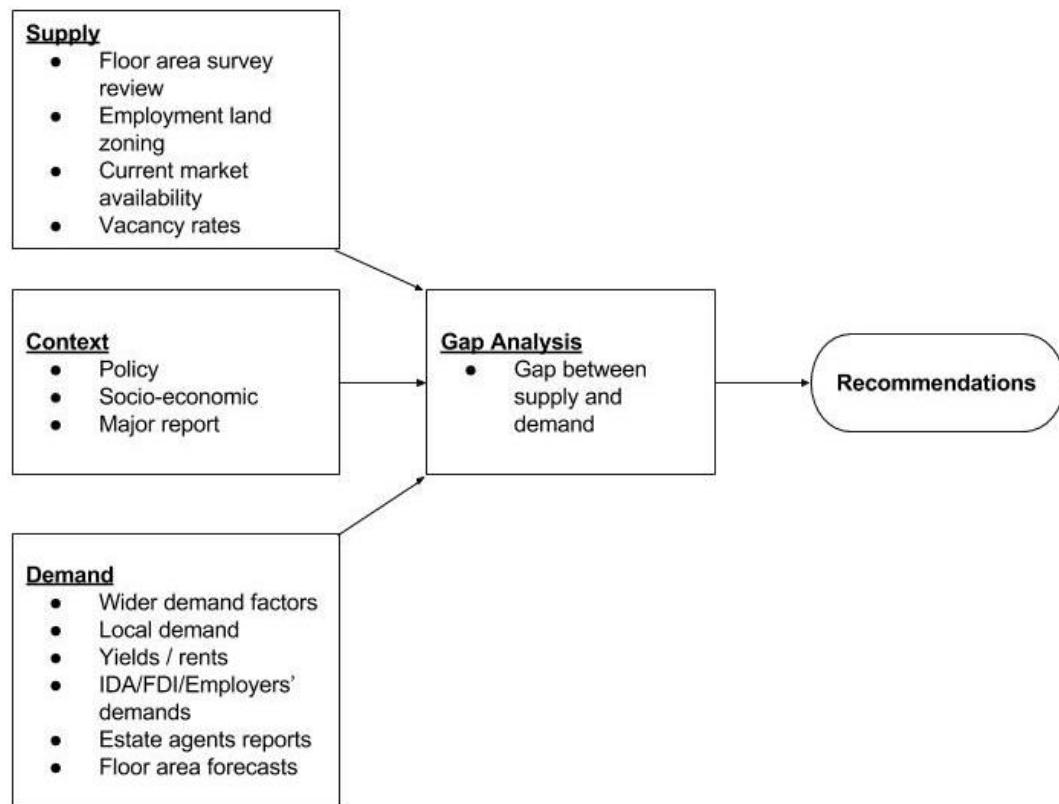


### 1.3 Overall Approach

The overall approach and methodology adopted effectively seeks to assess the gap between supply and demand over the period of the Planning Scheme (e.g. 15-20 years). The longer the forecast period, the less accurate the study will be. The approach and study should only be considered as a tool to inform the decision-making for the preparation of the Planning Scheme. Various existing data sources are utilised (CSO, land use/floor area surveys, employment surveys) and supplemented as required by other desktop appraisals. An outline of the overall approach is detailed in Figure 2 below.

The methodology also considers the need to integrate the requirement to create a viable multi-functional urban area. The principal output of the report is to provide a gap analysis, identification of overall quantum, type and size of units.

**Figure 2: Employment Study Approach**



#### 1.4 Limitations of the Study

It is important to recognise the limitations of the study, as the process is not an exact science. The assessment will allow for a broad appraisal of the potential for employment related floorspace. It must be emphasised that there are a wide range of local, regional and indeed international factors that will impact upon the potential to attract and cater for employment generating land uses in the area. A number of assumptions may materialise over the course of implementing the Planning Scheme over a 15-20 year timeframe, while others will not. In addition, there will be unforeseen factors which can have a significant impact upon the demand and supply of the floorspace. The study should only therefore be used a tool in assisting in the identification of the employment floorspace demands for the Planning Scheme. The study is based upon information collated for a particular point in time, with a data cut-off date of the 17<sup>th</sup> November 2016.

#### 1.5 Structure of the Report

The report is structured in the following manner:

- **Section One** is the introduction.
- **Section Two** defines the study area and terminology.

- **Section Three** sets the context for the study with a review of the existing relevant policies at national, regional and county level.
- **Section Four** provides a socio-economic profile and characterisation of the area.
- **Section Five** considers the property market with reference to supply and demand issues.
- **Section Six** establishes floorspace forecasts having regard to employment forecasts, property market trends and pipeline developments.
- **Section Seven** provides main conclusions and recommendations.

## 2 The Study Area and Terminology

### 2.1 Introduction

An assessment of employment floorspace demands has to be set within the context of a defined study area. There is a need to review the terminology of the 2008 Planning Scheme, which referred to non-retail commercial floorspace and consideration needs to be given to Office – Based Industry; Offices; Enterprise Centre; and Science & Technology Based Enterprise as defined in the South Dublin County Council Development Plan 2016-2022. Only those uses which are deemed to align with the Balgaddy-Clonburris Planning Scheme Designation Order S.I 604 of 2015 are considered. It should be noted that retail services will be considered as part of the associated retail study.

### 2.2 The Study Area

The Dublin Region acts a single market for the purposes of the office and employment market. However, there are clear spatial sub-sectors (e.g. city centre, Docklands, suburban). These will serve the needs of different occupiers.

**Figure 3: Study Area – Dublin Region**



Source: OSI – Myplan

## 2.3 Terminology

**Table 1: Terminology**

| Term   | Definition  |
|--|---|
| <b>Enterprise Centre<sup>1</sup></b>                         | Use of a building or part of a building or land for small scale (starter-type/micro-enterprise) industries and/or services usually sharing grouped service facilities.  |
| <b>Floorspace<sup>2</sup></b>                                | Floorspace is the gross floorspace of buildings, excluding any detached minor ancillary buildings such as pump houses, boiler-houses or electricity sub-stations.   |
| <b>Industry – Light<sup>1</sup></b>                          | The use of a building or part thereof or land for industry in which the processes carried on or the plant or machinery installed are such as could be carried on or installed in any residential area without detriment to the amenity of that area by reason of noise, vibration, smell, fumes, smoke, soot, ash, dust or grit etc.          |
| <b>Office – Based Industry<sup>1</sup></b>                   | Office-based activities that are concerned with the output of a specified product or service, including: data processing, software development, information technology, technical and consulting, commercial laboratories/healthcare, research and development, media recording and general media associated uses, publishing, telemarketing. |
| <b>Offices<sup>1</sup></b>                                   | A building in which the sole or principal use is the handling and processing of information and research or the undertaking of professional, administrative, financial, marketing or clerical work and includes a bank or building society but not a post office or betting office.   |
| <b>Science &amp; Technology Based Enterprise<sup>1</sup></b> | Knowledge based processes and industrial activities, having formal and operational links with third level educational institutions or research centres, in which research, innovation and development play a significant part and which lead to and accommodate the commercial production of a high technology output.                        |

*Source: 1. South Dublin County Development Plan 2016-2022*

*2. Industrially Zoned Land Survey 2007*

## 3 Policy Context

### 3.1 Introduction

To fully understand the drivers of supply and demand of employment sites and premises for Clonburris, and the potential constraints and opportunities, it is necessary to first investigate the policy context. The policy review takes account of relevant national, regional and local policies and strategies as these have the potential to influence future supply and demand for employment land.

### 3.2 Policy Context

#### 3.2.1 National Policy

##### *Enterprise 2025*

This strategy prepared by the Department of Jobs, Enterprise and Innovation (DJEI) indicates that it is an objective to reach 2.180 million people in employment and an unemployment rate of 6 percent by 2020. The potential to reach 2.180 million in employment by 2020 is based on the premise of export led growth and would see an additional 266,000 people at work from a 2014 base.

##### ***Winning Foreign Direct Investment (FDI) 2015-2025***

This strategy recognises that there is an increasing trend of FDI locating in larger urban areas. Dublin is an international-scale city and, as such, has a key role in attracting investment. It is critical that planning and development of the capital city creates a world-class urban area that continues to attract not only international investment but also international talent.

##### ***Jobs Action Plan 2016***

The DJEI has prepared this plan which sets out a series of steps required to achieve the jobs target set out in *Enterprise 2025*. Such initiatives include sectoral clusters in areas such as med-tech, pharmaceuticals, financial services, animation, and “born on the internet” companies. There is also a need to invest in infrastructure and development areas. The Action Plan is supported by regional action plans, and one has now been prepared for Dublin.

#### 3.2.2 Regional Policy

##### ***Regional Planning Guidelines for the Greater Dublin Area (RPGGDA) 2010-2016***

The RPGGDA established population and housing targets which are referred to in the current County Development Plan.

Section 3.1 of the RPGs highlights that it:

- must ensure that the Greater Dublin Area (GDA) can continue to compete on a global stage – attracting to Ireland, several types of activity for which no alternative locations exist elsewhere on the island but only in the metropolitan regions of other countries;
- needs to protect and enhance the performance of the GDA as an engine of growth for the national economy;
- needs to ensure that the GDA continues to play a leading role as a focus for knowledge generation, knowledge dissemination and innovative activity;
- must seek to ensure that the potential of the entire GDA is maximised so that the whole of the region (and the other regions in Ireland) can both contribute to and benefit from positive economic outcomes; and
- promote balanced economic development within the region.

Clondalkin, including Clonburris, is part of a Metropolitan Consolidation Town within the settlement hierarchy. Section 3.7.1 identifies several growth centres within the GDA polycentric gateway - Swords, Blanchardstown, Sandyford and Tallaght - as drivers for sustained international and regional economic development and growth. Clondalkin is not specifically identified as a centre for focussed employment growth. This section also states:

*"Opportunities also exist for Planning Authorities and Enterprise agencies, together with other relevant stakeholders, to take a proactive role in identifying appropriate locations for strategic development zones for employment and develop planning schemes to deliver these areas for economic development. These strategic locations should be supported by existing or planned multi-modal public transport infrastructure and/or international transport hubs, adequate water services, broadband and next generation of communication technology, sustainable energy supplies. The creation and support of a high-quality urban and natural environment, supported by a broad range of retail, professional and tertiary services, access to second and third level education, childcare and health services are also essential components in creating an attractive environment to live and work."*

Relevant strategic environmental policies include:

- ER1: Deliver the GDA as an attractive international destination for business, with the city region and identified strategic economic growth centres as focal points for regional critical massing and employment growth, in order to sustain, promote, develop and attract economic activity.
- ER3: Encourage mixed use settlement forms and sustainable centres, in which employment and residency are located in close proximity to each other and strategic multi-modal transport corridors, which promote a choice of sustainable travel modes, green travel choices and to arrest long distance commuter trends and congestion.

- ER4: Support entrepreneurship and enterprise at appropriate locations which incorporate best practices in reducing greenhouse gas emissions and which endorse responsible environmental and social practices.
- ER9: Promote factors of competitiveness and exploit opportunities and mechanisms for the realisation of entrepreneurship and sustainable businesses including diversification of services and manufacturing sectors through the provision of suitably zoned, serviced lands and soft and hard infrastructural investments in a planned and strategic manner
- ER10: Work with employment and enterprise agencies to identify and deliver strategic employment sites for development at suitably identified locations as advocated in this strategy, such as Intellectual Enterprise Zones, SDZ's and IDA supported sites and examine regional consistencies in land use zoning for enterprise. Current employment related land use objectives in Development Plans should be reviewed to take account of the RPG economic strategy.

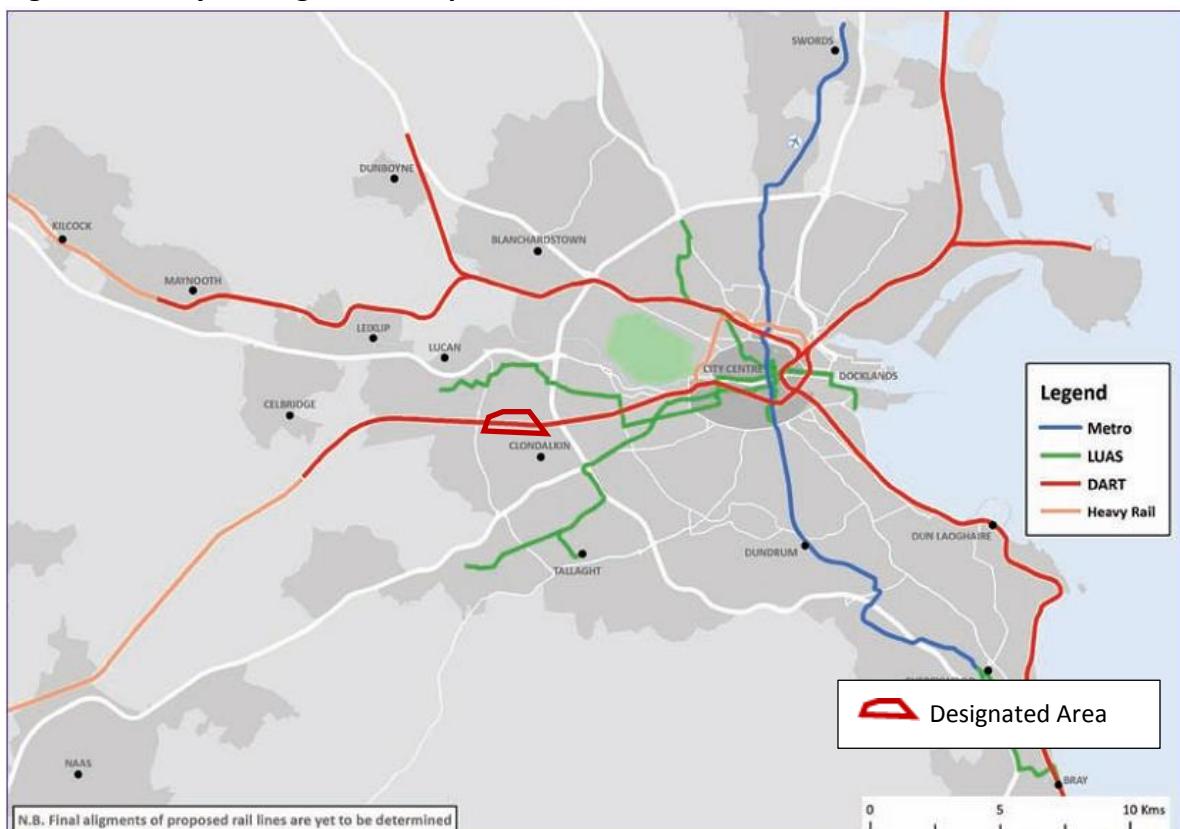
The RPGs are to be replaced by Regional Spatial and Economic Strategies.

#### ***Transport Strategy for the Greater Dublin Area 2016-2035***

This Strategy produced by the National Transport Authority (NTA) outlines the transport proposals for the GDA up to 2035. It is proposed to provide a DART underground tunnel between Heuston Station and Dublin Docklands (connecting to the Belfast line) and extend the DART network to Leixlip, Maynooth and Dunboyne. This project would have a significant potential impact upon the accessibility of Clonburris to the wider metropolitan area. In addition, the Strategy includes the reopening of the Phoenix Park Tunnel to services from Kildare, which allows rail access from Clonburris into Connolly Station and the Docklands. This service commenced in November 2016.

In the wider area, it is proposed to extend the Luas to Lucan. The provision of the Metro West project has not been included in the Strategy. Aside from the corridor improvements for the Core Orbital Bus Route, there are no significant road proposals affecting the area in the Strategy.

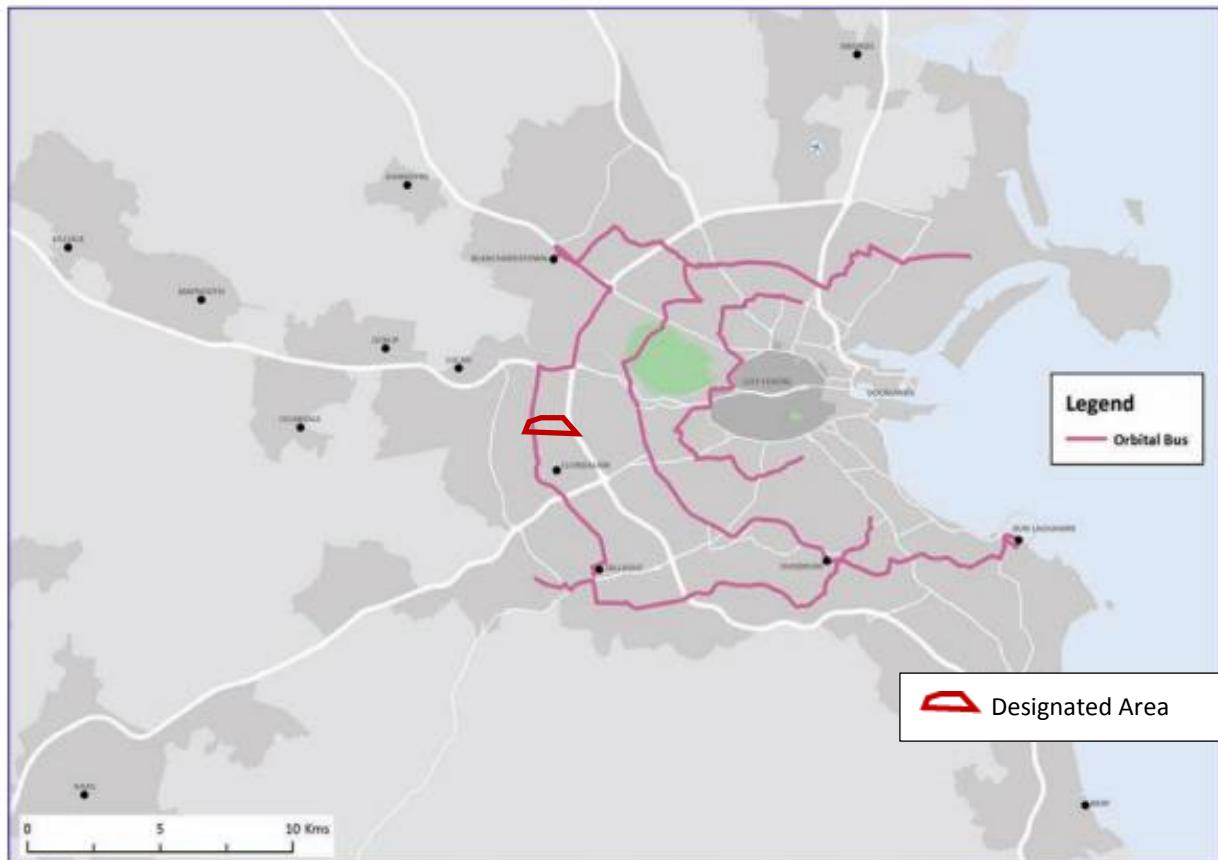
**Figure 4: Heavy and Light Rail Proposals for 2035**



Source: *Transport Strategy for the Greater Dublin Area 2016-2035*

In relation to bus infrastructure, the Strategy proposes three core orbital bus routes, including a Tallaght – Blanchardstown route, as part of the core network. This core network represents the most important bus routes in the region, generally characterised by a planned high frequency of bus services, high passenger volumes and with significant trip attractors located along the route. As part of the Strategy, the intention to develop the core bus network to achieve, as far as practicable, continuous priority for bus movement on the portions of the core bus network within the metropolitan area is stated. The Strategy details that this will mean improved bus infrastructure on these corridors to make bus transport a more attractive alternative for road users. It will also make the overall bus system more efficient, as faster bus journeys means that more people can be moved with the same level of vehicle and driver resources. The Tallaght to Blanchardstown route will link Clonburris to major centres and employment such as Tallaght, Clondalkin, Liffey Valley and Blanchardstown.

**Figure 5: Orbital Bus Network 2035**



Source: *Transport Strategy for the Greater Dublin Area 2016-2035*

#### **Dublin Action Plan for Jobs 2016-2018**

The Action Plan indicates that the IDA Ireland will deliver 430 FDI investments for Dublin over the period 2015-2019. Furthermore, the enterprise development agencies will stimulate more Dublin based companies to invest in RD&I activities and deliver a 20 % uplift in expenditure by foreign owned companies and have 20% more Research Development and Innovation (RD&I) active Irish owned enterprises. The number of start-ups in the Dublin region is targeted to increase by a minimum of 25% and increase the survival rate of start-ups in the first five years. It emphasises the importance of liaising with NAMA and respective private investors to expedite delivery of office solutions within Dublin.

#### **Dublin Regional Enterprise Strategy 2017–2019**

The Strategy outlines coordinated approach to promoting enterprise, employment and entrepreneurial activities in the Dublin Region for the period 2017-2019. Its actions include supporting the provision of flexible incubation for emerging food start-ups throughout the Region; and promoting Grange Castle for large-scale, extensive FDI investment.

### **3.2.3 County Policy**

#### **South Dublin County Development Plan 2016-2022**

There is a number of relevant provisions in the South Dublin County Development Plan 2016-2022, in particular the following:

##### **Core Strategy (CS)**

In relation to employment uses, the strategy recognises the role which South Dublin has to play in the regional market. The strategy states:

*“In South Dublin, economic activity is focused into employment lands that are proximate to key centres of population and into the main urban centres. The Economic Strategy for the County seeks to ensure that there is a sufficient supply of zoned and serviced lands at suitable locations to accommodate future demand for enterprise and employment investment across a diverse range of sectors. The strategy also seeks to strengthen the alignment between employment, population and transport services.”*

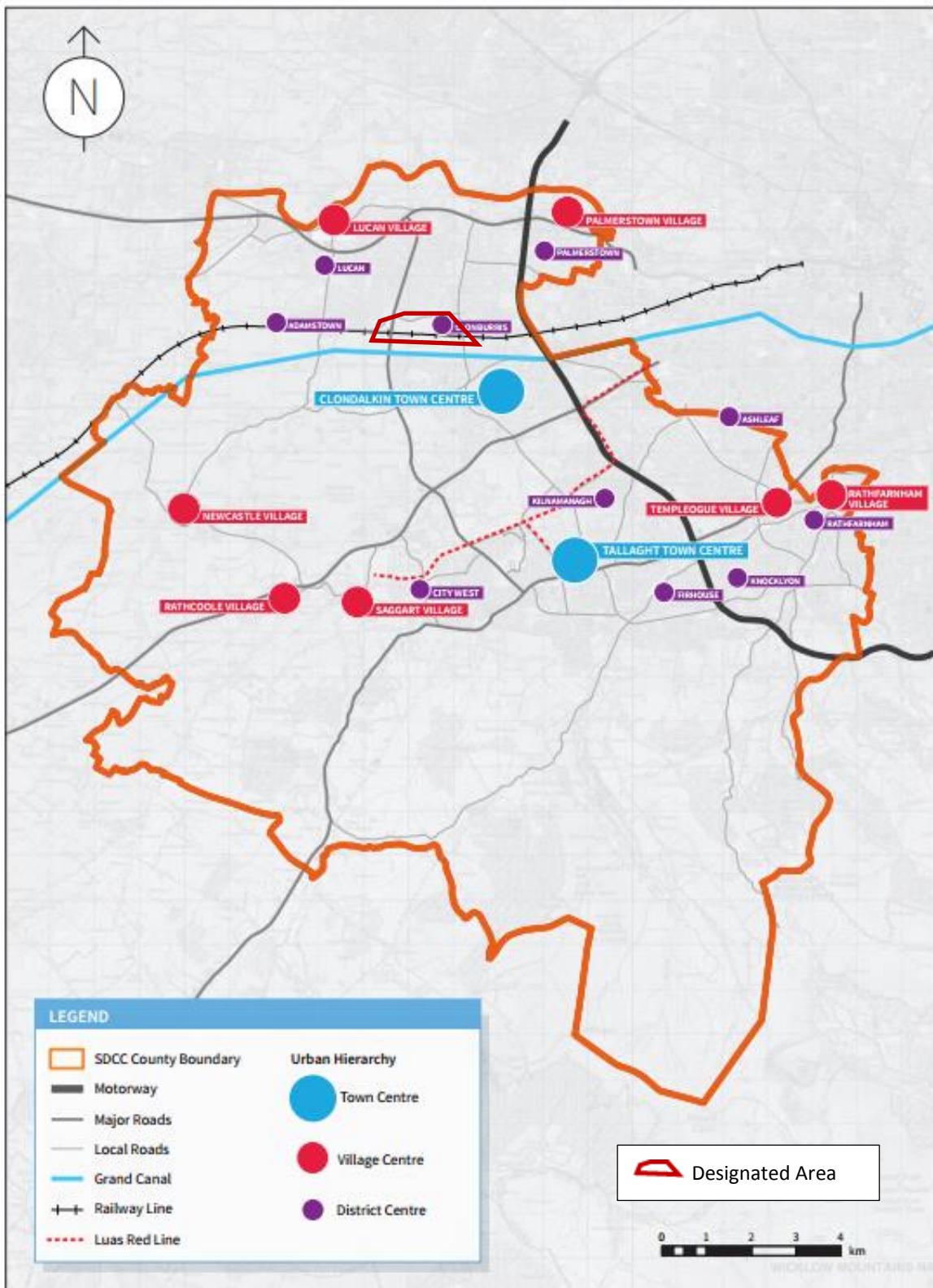
Relevant objectives include:

- CS2 Objective 1: To promote and facilitate urban expansion on designated Strategic Development Zone and Local Area Plan sites at Adamstown and Clonburris, in tandem with the delivery of high capacity public transport services and subject to an approved Planning Scheme or Local Area Plan.
- CS7 Objective 1: To support the delivery of sufficient public transport and road capacity to facilitate sustainable new development in Strategic Development Zones.

##### **Urban Centres (UC)**

In relation to the urban centres in the County, Section 5 of the Development Plan details policies and objectives of the County. Figure 6 (Figure 5.2 of the Development Plan) outlines the urban hierarchy of the County, including the district centre designation for Clonburris.

Figure 6: Urban Hierarchy of County



Source: Extract from Figure 5.2 of the South Dublin County Development Plan 2016-2022

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In the context of the Urban Centre Hierarchy, the County Development Plan includes the following relevant policies and objectives:

#### UC Policy 1 Urban Centres

It is the policy of the Council to continue to develop the County's network of town centres, village centres, district centres and local centres, based on the following hierarchy: Tallaght as the County Town; Clondalkin as a vibrant Town Centre; Traditional Village Centres as vibrant and sustainable centres; A network of District Centres to serve a district catchment; and A network of Local Centres and local shops to serve a local catchment.

Specific relevant policy objectives include:

- UC1 Objective 1: To direct retail, commercial, leisure, entertainment, civic, community and cultural uses into town, village, district and local centres and to achieve a critical mass of development and a mix of uses that is appropriate to each level in the urban hierarchy.
- UC1 Objective 2: To recognise the pre-eminence of our County's town centres and traditional villages as the preferred location in considering development proposals for non-retail civic, public service and community developments, and to apply a sequential approach as appropriate for such proposals.

Additionally, the Development Plan outlines that the Council will encourage small scale employment and training uses in district and local centres including microenterprise and start-up units, subject to the protection of residential amenity. This is pertinent to Clonburris as a designated district centre in the County.

#### UC Policy 2 Town Centres

It is the policy of the Council to reinforce the role of Tallaght as the County Town and Clondalkin as a major Town Centre at the top of the County's urban hierarchy

Specific relevant policy objectives include:

- UC2 Objective 1: To promote Tallaght Town Centre as the primary urban centre in the County by directing higher order retail, retail services, residential, cultural, leisure, financial, public administration, restaurants/bars, entertainment and civic uses into and adjoining the Core Retail Area of this centre.
- UC2 Objective 2: To promote Clondalkin Town Centre as a primary urban centre in the County by directing higher order retail, retail services, residential, cultural, leisure, financial, public administration, restaurants/bars, entertainment and civic uses within and adjoining the Core Retail Area of this centre.

- UC2 Objective 6: To provide a broad range of facilities and services in Tallaght and Clondalkin Town Centres and support the role of these centres as the focus for commercial activity, leisure, entertainment, community activities and public transport.

#### UC Policy 4 District Centres

It is the policy of the Council to encourage the provision of an appropriate mix, range and type of uses in District Centres, including retail, community, recreational, medical and childcare uses, at a scale that caters predominantly for a district level catchment, subject to the protection of the residential amenities of the surrounding area.

#### *Enterprise and Employment*

The Plan identifies that in the north of the County, along the Dublin-Cork Rail Corridor, greenfield lands earmarked for future residential and commercial development, with a Strategic Development Zone (SDZ) designation, offer potential for future economic development.

Specific relevant policies and objectives include:

#### Strategic Policy for Employment

It is the policy of the Council to facilitate and support the growth of the economy of South Dublin County and the Greater Dublin Area in a sustainable manner whilst maintaining and improving environmental quality with the following key aims:

- To strengthen existing employment centres.
- To strengthen the integration between employment, housing and transportation with a view to promoting compact urban areas and reducing car dependency.
- To support high-value jobs as companies seek to move up the value chain and undertake higher value-added activities in Ireland.
- To facilitate economic growth by consolidating existing industrial and commercial areas and by ensuring that there is an adequate supply of serviced employment lands at suitable locations.
- To promote the regeneration of underutilised industrial areas in a manner which enhances the local economy and encourages a sequential approach to development.
- To provide for a range of business accommodation types, including units suitable for small business.

## ET Policy 1

It is the policy of the Council to support sustainable enterprise and employment growth in South Dublin County and in the Greater Dublin Area, whilst maintaining environmental quality.

Specific relevant policy objectives include:

- ET1 Objective 2: To promote enterprise and employment development at locations that are proximate to or integrated with transportation and other urban land uses, to promote compact urban development and sustainable transport.
- ET1 Objective 5: To support a balanced distribution of economic and tourism opportunities throughout the County by promoting areas of high unemployment and socioeconomic disadvantage as viable locations for enterprise and employment growth in the County.
- ET1 Objective 6: To direct people intensive enterprise and employment uses such as major office developments (>1,000sq.m gross floor area) into lands zoned Town Centre and Regeneration Zones in Tallaght, lands zoned Town Centre in Clondalkin and also to lands zoned District Centre and Enterprise and Employment, and Regeneration Zones subject to their location within 400 metres of a high capacity public transport node (Luas/Rail), quality bus service and/or within 800 metres walking distance of a Train or Luas station, the latter requiring demonstration of required walking distance or provision of a permeability project, in accordance with the Permeability Best Practice Guide (2013), to achieve same.
- ET1 Objective 8: To support and facilitate the provision of enterprise centres and incubation hubs at appropriate locations, in accordance with actions identified by the Local Enterprise Office, through the Local Economic and Community Plan or by other enterprise support initiatives.

## Policy ET 3

It is the policy of the Council to support and facilitate enterprise and employment uses (hightech manufacturing, light industry, research and development, food science and associated uses) in business parks and industrial areas.

Specific relevant objectives include:

- ET3 SLO 1: To conduct a review of the zoning of lands south of the Grand Canal and west and north of the R120, including lands adjoining Peamount Healthcare, with a view to preparing a long-term plan for the expansion of the Grange Castle Economic and Enterprise Zone to this area, to accommodate strategic investment in the

future, while also seeking to provide public open space along the Canal, including a natural heritage area in the vicinity of the historic canal quarries at Gollierstown.

- ET3 Objective 2: To prioritise high tech manufacturing, research and development and associated uses in the established Business and Technology Cluster to the west of the County (Grange Castle and Citywest areas) to maximise the value of higher order infrastructure and services that are required to support large scale strategic investment.
- ET3 Objective 3: To support the phased expansion of the established Business and Technology Cluster to accommodate strategic high-tech manufacturing investments, research and development and associated uses.

### ***Local Economic and Community Plan (LECP) 2016-2022***

The Plan highlights that there are over 6,800 business entities in South Dublin County employing over 80,000 people in retailing, transport, professional services and manufacturing. Over 80% of businesses in the County have 20 or less employees, making small and medium enterprise the most common business type in the County. As part of the Dublin metropolitan area the economy of South Dublin is heavily integrated into that of the wider Dublin region with significant flows of workers both into and out of the County. At the last census 42,500 people enter the County for employment while over 57,000 workers commute out of the County, mainly to Dublin City centre. South Dublin has a number of key enterprise locations which are integral to the wider regional and national economy including Grange Castle Business Park and Citywest.

There are however several large industrial employers. The Plan's economic character areas in the County include the rail corridor. A marketing strategy will be developed for each character area.

Goal 4 seeks to develop new and existing enterprises with significant employment, capital, income or growth potential. The potential for the development of Grange Castle is identified and promoted. In addition, there are a number of actions required to promote employment.

Goal 5 aims to improve the quality and diversity of employment in the County.

Goal 6 seeks to actively engage with other authorities and agencies in the continued economic development of the Dublin region. There will be collaboration with both the IDA and Enterprise Ireland to identify key sites to be made available for inward investment throughout the County and to co-ordinate their marketing and servicing.

Goal 7 aims to develop micro enterprise, community economic development and start-ups.

## ***Economic Development Strategy for South Dublin County Council 2012***

This document sets out an economic strategy for the county and identifies specific character areas, including a *technology crescent* extending from Citywest to Grange Castle, and a *rail corridor* running through both the Adamstown and Clonburris SDZ areas.

In relation to the technology crescent, it is acknowledged that while FDI has concentrated on large-scale developments, there is significant potential to consider developing smaller more intensive commercial / industrial developments at particular locations within the area, in addition to service-based developments. One of the actions for the technology crescent is to develop infrastructure services and utilities to support the emergence of serviced-based employment. The proximity of the rail corridor to the technology crescent at Grange Castle Business Park presents opportunities for the development of land banks within the SDZ areas. Currently, the rail services are significantly underutilised. An Action Plan also accompanies the strategy. The principal actors are South Dublin County Council, the IDA, the South Dublin Chamber and the NTA.

### ***Clonburris SDZ and LAP 2008***

There are three different scenarios for the SDZ Planning Scheme and LAP areas, depending upon the delivery of Kildare Route Project; Metro West or City Centre Interconnector; or Metro West and City Centre Interconnector. The maximum number of residential units was established for each scenario and ranged from 10,600 to 15,005. Depending on the development scenario, the 2008 Planning Scheme and LAP could accommodate between 188,750 sqm and 193,000sqm of non-retail commercial floorspace.

The Planning and Development Act 2000 (Designation of Strategic Development Zone: Balgaddy-Clonburris, South Dublin County Council) SI No. 604 of 2015 came into operation on the 15<sup>th</sup> December 2015 for an area extended to 280ha (increased from 2008 Planning Scheme and LAP) and revoked the previous designation Order from 2006 (SI No. 442 of 2006).

### **3.3 Conclusion**

In conclusion, there is a strong national and regional policy context influencing the future supply and demand for employment floorspace in the Dublin region. The South Dublin County Council Development Plan 2016-2022 provides a local policy framework including outlining the economic strategy for the County and the urban centre hierarchy for the County. It is evident that Clonburris has an established economic role at a County policy level and is within the identified rail corridor economic area in the *Economic Development Strategy for South Dublin County Council 2012*.

## 4 Socio-Economic Analysis and Area Profiling

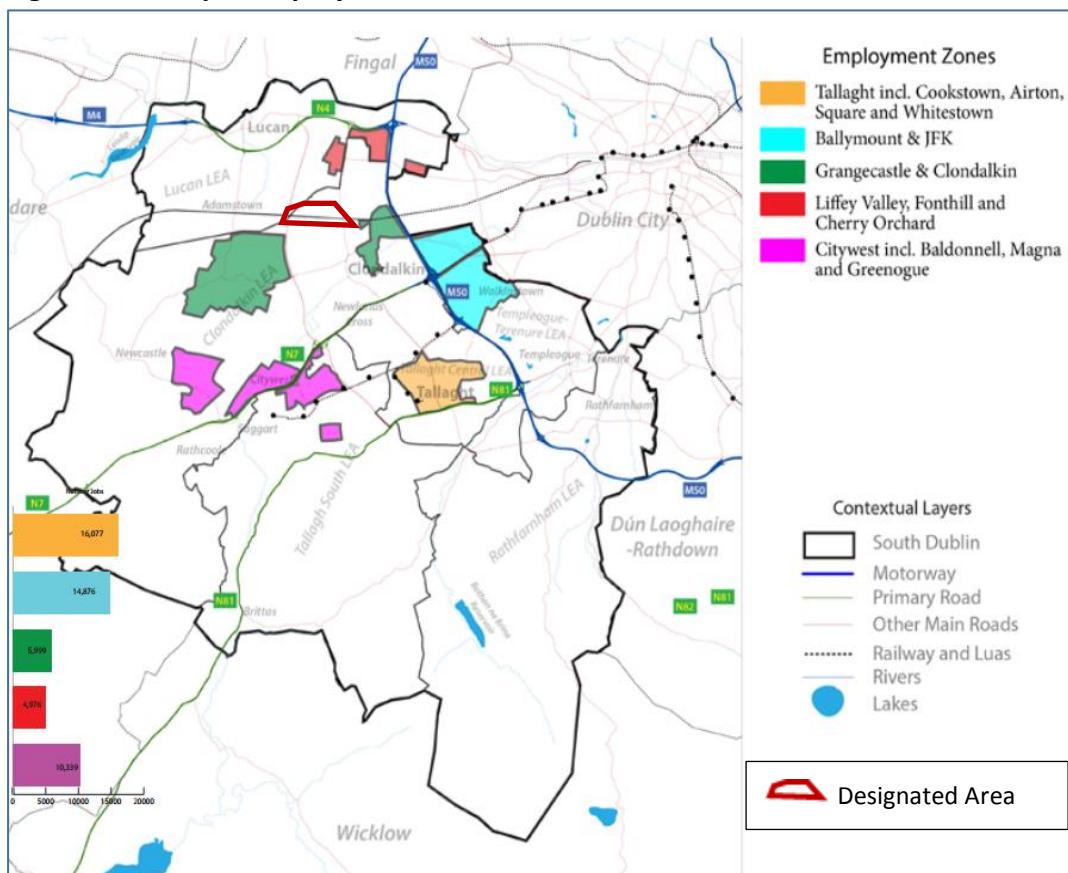
### 4.1 Introduction

The socio-economic analysis undertaken for South Dublin is set within the context of the Greater Dublin Area to provide an in-depth understanding of the current socio-economic make-up of the South Dublin County area. This section provides a profile of the socio-economic characteristics regarding:

- labour market structure;
- industrial structure; and
- business numbers and company size.

In addition, to the socio-economic profile, the area will be characterised with reference to the opportunities and constraints that may arise for the SDZ area. Furthermore, this section provides an appraisal of comparable centres, which will assist in identifying opportunities for Clonburris. Figure 5 below illustrates the principal employment areas in South Dublin.

**Figure 5: Principal Employment Zones**



Source: LECP 2012-2022

## 4.2 Labour Market

Business investment decisions are typically based on the availability of land/sites, capital and labour. The section below considers occupation and the industry of employment.

### 4.2.1 Occupational Structure

The occupational structure of residents in South County Dublin and Dublin County is set out in Table 2. It can be seen that the profile of the South County Dublin is very much in line with that of the rest of Dublin.

**Table 2: Occupation of Residents in South Dublin and Dublin**

| Occupation                       | Dublin         | Dublin (%)  | South Dublin<br>(No.) | South Dublin<br>(%) |
|----------------------------------|----------------|-------------|-----------------------|---------------------|
| A. Employers and managers        | 227190         | 18%         | 45046                 | 17%                 |
| B. Higher professional           | 107276         | 8%          | 15758                 | 6%                  |
| C. Lower professional            | 159391         | 13%         | 30250                 | 11%                 |
| D. Non-manual                    | 274030         | 22%         | 61863                 | 23%                 |
| E. Manual skilled                | 88186          | 7%          | 24047                 | 9%                  |
| F. Semi-skilled                  | 84018          | 7%          | 20315                 | 8%                  |
| G. Unskilled                     | 40196          | 3%          | 8166                  | 3%                  |
| H. Own account workers           | 47789          | 4%          | 12110                 | 5%                  |
| I. Farmers                       | 2442           | 0%          | 315                   | 0%                  |
| J. Agricultural workers          | 1482           | 0%          | 207                   | 0%                  |
| Z. Others                        | 241069         | 19%         | 47128                 | 18%                 |
| <b>All socio-economic groups</b> | <b>1273069</b> | <b>100%</b> | <b>265205</b>         | <b>100%</b>         |

Source: CSO Census 2011

Table 3 below illustrates the jobs by occupational category in South Dublin, and the area defined as Liffey Valley, Fonthill, Cherry Orchard and Clondalkin (including Grange Castle Business Park) which are the main employment areas immediately adjoining Clonburris. According to the 2011 Census, there were 79,996 jobs in South Dublin (Place of Work Census Anonymised Records – POWCAR). These are jobs that may be taken by residents of South Dublin, or by inbound commuters from elsewhere. This equates to 15% of all jobs located within the Dublin region. Of those jobs, 52.7% were undertaken by inbound commuters with the remaining 47.3% taken by local residents. There were 12,799 more commuters out of the County than there was into South Dublin.

There is a total of 10,976 places of employment within the immediate area, representing 13% of all jobs in the County. Generally, the occupational profile of those jobs within the immediate area are similar to those in the County as a whole. The exception is the high percentage of non-manual jobs in Liffey Valley, reflecting the high number of retail jobs at this regional shopping centre. Of the jobs within the immediate Clonburris area, 45% were taken by

residents of South Dublin, with the remaining 55% occupied by those from outside the County. The mode split ratio of private car to public transport of workers in the Clondalkin/Grange Castle was 85:15, while it was 70:30 for the Liffey Valley/Fonthill Road area.

The rate of unemployment is a further consideration in the health of the local labour market. According to the 2011 Census, the unemployment rate in the State was 19% and was 19.6% in South Dublin. However, the unemployment rate in Clondalkin was 25.2% while it was 15.5% in Lucan.

**Table 3: Occupation of Jobs in South Dublin and Clondalkin/Lucan Area**

| Occupation                       | South<br>Dublin<br>(No.) | South<br>Dublin<br>(%) | Liffey<br>Valley,<br>Fonthill &<br>Cherry<br>Orchard<br>(no.) | Liffey<br>Valley,<br>Fonthill &<br>Cherry<br>Orchard (%) | Clondalkin<br>including<br>Grange Castle<br>(no.) | Clondalkin<br>including<br>Grange Castle<br>(%) |
|----------------------------------|--------------------------|------------------------|---|--|---|---|
| A. Employers & managers          | 16740                    | 21%                    | 1109  | 22%  | 1169  | 19%   |
| B. Higher professional           | 5675                     | 7%                     | 139   | 3%   | 570   | 10%   |
| C. Lower professional            | 12915                    | 16%                    | 264   | 5%   | 973   | 16%   |
| D. Non-manual                    | 22466                    | 28%                    | 2044  | 41%  | 1402  | 23%   |
| E. Manual skilled                | 8024                     | 10%                    | 582   | 12%  | 727   | 12%   |
| F. Semi-skilled                  | 8423                     | 11%                    | 578   | 12%  | 754   | 13%   |
| G. Unskilled                     | 2502                     | 3%                     | 126   | 3%   | 221   | 4%  |
| H. Own account workers           | 1960                     | 2%                     | 56  | 1%   | 88  | 1%  |
| I. Farmers                       | 113                      | 0%                     | 5   | 0%   | 4   | 0%  |
| J. Agricultural workers          | 86                       | 0%                     | 3   | 0%   | 5   | 0%  |
| Z. Others                        | 1092                     | 1%                     | 70  | 1%   | 87  | 1%  |
| <b>All socio-economic groups</b> | <b>79996</b>             | <b>100%</b>            | <b>4976</b>   | <b>100%</b>  | <b>6000</b>                                       | <b>100%</b>                                     |

Source: CSO Census, POWCAR 2011

#### **4.2.2 Industrial Employment Structure**

The Census also provides data on the industry of employment within South Dublin and the immediate area around Clonburris. Construction was at a very low point at the time of the 2011 Census. Retailing is the predominant sector for Liffey Valley, Fonthill and Cherry Orchard. Professional services represent a comparatively small percentage of total jobs in the Clonburris area when compared with South Dublin. Manufacturing is the predominant form of employment in the Clondalkin/Grange Castle area reflecting the presence of the Grange Castle Business Park.

**Table 4: Industry of Employment**

| Industry of Employment    | South<br>Dublin<br>(No.) | South<br>Dublin (%) | Liffey<br>Valley,<br>Fonthill &<br>Cherry<br>Orchard<br>(no.) | Liffey<br>Valley,<br>Fonthill &<br>Cherry<br>Orchard<br>(%) | Clondalkin<br>including<br>Grange<br>Castle (no.) | Clondalkin<br>including<br>Grange<br>Castle (%) |
|---------------------------|--------------------------|---------------------|---|---|---|---|
| Agriculture               | 180                      | 0%                  | 13  | 0%  | 5   | 0%  |
| Manufacturing             | 12300                    | 15%                 | 722   | 15%   | 2202  | 37%   |
| Construction              | 3603                     | 5%                  | 137   | 3%  | 380   | 6%  |
| Retail, T&S               | 26687                    | 33%                 | 3231  | 65%   | 1753  | 29%   |
| IT, Professional Services | 12965                    | 16%                 | 427   | 9%  | 687   | 11%   |
| Public Administration     | 3966                     | 5%                  | 50  | 1%  | 249   | 4%  |
| Education & Social        | 15909                    | 20%                 | 252   | 5%  | 489   | 8%  |
| Other                     | 3550                     | 4%                  | 111   | 2%  | 184   | 3%  |
| Not Stated                | 836                      | 1%                  | 33  | 1%  | 50  | 1%  |
| <b>Total</b>              | <b>79996</b>             | <b>100%</b>         | <b>4976</b>   | <b>100%</b>   | <b>5999</b>                                       | <b>100%</b>                                     |

Source: CSO Census, POWCAR 2011

#### 4.3 Businesses and Employers

Several blue chip national and multi-national corporations are in the Grange Castle Business Park and Citywest Business Campus including Takeda, Pfizer, Johnson & Johnson and SAP. Many large Irish companies are also represented in the County including Kerry Foods, IAWS, and Independent News and Media. Tallaght Hospital provides child, adult, psychiatric and age-related healthcare on one site. It is a provider of local, regional and national specialities. There are 625 beds in the hospital and almost 3,000 people are employed there. It is one of the two main adult teaching hospitals of Trinity College. The Institute of Technology Tallaght (ITT Dublin) is the only higher education institution in South Dublin County. The student population of the Institute is over 4,600 (full-time and part-time). South Dublin County Council's headquarters is located at County Hall, Tallaght and the head office of County Dublin VEC are in Tallaght town centre. Retailing in Tallaght, Clondalkin, Liffey Valley and throughout the County provides significant employment. The assessment of retailing floorspace requirements is the subject of a separate study and so detailed consideration is not given to it in this report.

An economic profile and survey of South Dublin was undertaken in 2014. It surveyed businesses in the area. Retailing is the most significant sector in the county, with over 36% of businesses identified in this category. Transportation and distribution account for over 14% of business in the county, and industrial and manufacturing account for 12% of business in South Dublin, indicating the importance of the industrial and business parks. Over 12% of the businesses in the County are in the professional and financial services sector. The medical and pharmaceutical sectors also account for 9% of the businesses identified – supporting the concept that South Dublin may develop as a hub for medical and healthcare related businesses

in Ireland. The construction sector accounted for approximately 3% of businesses in the county in 2014. The business profile reflects the industrial employment structure detailed above in section 4.2.

The business survey indicated that 72% of firms employed less than 10 people. The size of firms is detailed in Table 5.

**Table 5: Employee Numbers**

| Number of Employees        | %  |
|----------------------------|----|
| <b>Sole Traders</b>        | 2  |
| <b>1 employee</b>          | 8  |
| <b>2 to 5 employees</b>    | 41 |
| <b>6 to 10 employees</b>   | 21 |
| <b>11 to 20 employees</b>  | 15 |
| <b>21 to 40 employees</b>  | 8  |
| <b>41 to 100 employees</b> | 4  |
| <b>101 + employees</b>     | 1  |

Source: SDCC LEO, Chamber of Commerce Survey

## 4.4 Characterisation

### 4.4.1 Area Characterisation

The characteristics of the area can be defined in relation to a number of different factors as follows:

- Economically, Clonburris can be defined as being on the rail corridor, with its western end having a strong relationship with the technology crescent as defined in the Economic Development Strategy for South Dublin.
- Geographically, the area is strategically located within the Metropolitan Area of Dublin City, adjoining the residential communities of Lucan and Clondalkin and in proximity to Grange Castle Business Park. The lands benefit from a wide range of existing and planned transport opportunities offered by the Kildare-Cork Railway Line, the Grand Canal and an established network of national, regional and local roads. The Clonburris lands are serviced by two train stations, at Kishogue and Clondalkin – Fonthill, and the Grand Canal Greenway provides a strategic cycleway and pedestrian linkage to Dublin City Centre.
- Jobs in this area are primarily in the manufacturing and retail sectors with a high proportion of occupations being non-manual. There is a relatively high percentage of jobs in the higher professional groupings in the Grange Castle area, reflecting the location of multi-nationals including Pfizer. The Clondalkin and Liffey Valley area has a predominance of retail and non-manual employment. Unemployment is high in

Clondalkin and skill levels are relatively low. Lucan has a different profile in terms of its unemployment level.

- There is a relatively high dependence on the private car for those accessing their work place, particularly in the Grange Castle Business Park. There is a higher use of public transport to the north east of Clonburris at Liffey Valley and Fonthill. The rail is a significantly underutilised asset in the area. Clonburris is directly accessed by a network of regional and local roads with the national N4, N7 and M50 routes in proximity. However, the site is not immediate or highly accessible from the motorway or national road network.
- Small firms of less than 10 employees account for 70% of the companies in the County.
- Clonburris is identified as a District Centre in the County Development Plan and is considered to be part of the Dublin – Cork Rail Corridor cluster with potential for future economic development. However, other urban centres are identified at a higher level of priority for employment and retail in the retail hierarchy and urban centre hierarchy in the County Development Plan. Additionally, established locations at Citywest and Grange Castle have been considered more attractive by the market to date.

#### **4.4.2 Comparable Centres**

A number of other locations have been examined to consider the scale of non-retail commercial floorspace. The criteria for the selection of the centres for comparison are:

- located on either DART or Luas lines;
- a designated retail district centre; and
- in a suburban location.

#### *Adamstown*

The Planning Scheme for Adamson is similar to that proposed for Clonburris as there is a designated district centre at the train station. There is a maximum of 127,000 sqm of non-residential development permissible in the Planning Scheme area (excluding school buildings, primary healthcare facility, railway station and fire station). The maximum amount of non-residential floorspace is available for commercial, retail, community, office, employment, leisure, civic and cultural activities and uses. This maximum quantum of floorspace includes 24,175 sqm of retail space. The Planning Scheme does not therefore indicate precisely the quantum of commercial employment related floorspace which may be permitted. It does however indicate that Adamstown Boulevard Development Area situated west of Adamstown Station could facilitate additional employment floorspace of up to 26,250 sqm.

### *Sandyford*

The Sandyford area has developed into a major office and employment centre, with limited residential development. In addition to being served by Luas, it is highly accessible from the M50. By 2011, 350,000 sqm of office and employment related floorspace had been constructed. The Sandyford Framework Plan, forming part of the Dún Laoghaire-Rathdown County Development Plan 2016-2022 caters for a further 250,000 sqm of office development, with a further 100,000 sqm permissible through the redevelopment of existing sites.

### *Cherrywood*

The Cherrywood SDZ Planning Scheme facilitates a town/district centre on the Luas line. The Planning Scheme caters for a mix of residential and commercial. A maximum of 112,000sqm of high intensity employment floorspace is permissible, in addition to a town centre with 40,000 sqm of retailing. The maximum number of residential units is 8,336.

### *Clongriffin/Belmayne*

This new development area on the northern fringe of the city has a DART station constructed as part of the development. The area is covered by the Clongriffin and Belmayne Local Area Plan 2012-2022, which extends from the railway line to the Malahide Road. By 2012 8,000 residential units, 40,000 sqm retail floorspace and 58,000 sqm commercial floorspace were granted permission. A total of 3,200 residential units (approx), 41,000 sqm of mixed commercial, retail and hotel space (approx) have been delivered by 2012. Most of the commercial space is located at Northern Cross at the Malahide Road end of the LAP. The LAP envisages further office development at Clongriffin, but no figure is specified.

### *Blackrock*

Blackrock is served by DART. Existing commercial (office) floorspace available within Blackrock totals approximately 32,100m<sup>2</sup> which, while substantial, represents less than 1% of the County's overall stock. The majority of office developments lie along the Frascati Road corridor and were generally built from the late 1980's onwards in response to the growth of the financial services sector and include Zurich Life, Canada Life and Ulster Bank buildings. There is also limited office space located along the Main Street. Other reasonably scaled office-based employment generators in the Blackrock area include state and semi-state companies (Inland Fisheries Ireland, An Post Sorting Office, An Garda Siochána). This is complemented by a district retail centre with c20,000 sqm of commercial floorspace.

The comparable analysis suggests that areas such as Sandyford and Cherrywood, which are highly accessible by motorway and high quality public transport, gives rise to greater market potential of between 100,000 sqm and 250,000 sqm. Those centres served by DART/rail/Luas only, have potential for between 20,000 sqm and 40,000 sqm.

#### 4.5 Conclusion

Economically, Clonburris can be defined as being on the rail corridor with potential for future economic development, with its western end having a strong relationship with the technology crescent which includes Citywest and Grange Castle business parks. Jobs in this area are primarily in the manufacturing and retail sectors. There is a relatively high percentage of jobs in the higher professional groupings in the Grange Castle area, reflecting the location of multi-nationals. The Clondalkin and Liffey Valley area has a predominance of retail and non-manual employment.

There is a relatively high dependence on the private car for those accessing their work place, particularly in the Grange Castle Business Park. There is a higher use of public transport to the north east of Clonburris at Liffey Valley and Fonthill. The rail is a significantly underutilised asset in the area. Clonburris is directly accessed by a network of regional and local roads with the national N4, N7 and M50 routes in proximity. However, the site is not immediate or highly accessible from the motorway or national road network.

Clonburris itself has not been identified as a major centre for employment, but has been identified as a district centre in the County Development Plan. Based on the policy context, the anticipated residential units and the analysis of the employment structure in the area, there is a need for small flexible business premises, as the majority of companies in the area employ less than 10 persons.

## 5 Property Market

### 5.1 Introduction

To help enhance the understanding of the supply and demand characteristics of the local employment land market, the local property market was examined to establish local and regional demands, in addition to supply factors including availability of existing floorspace and vacancy rates.

### 5.2 Demand

#### 5.2.1 Wider Demand Factors

##### *General Economic Growth*

GDP growth figures for Ireland in 2015 were revised up to 26%. All commentators recognise that these are unreliable and distorted by accounting practices by multi-national firms. Important economic indicators are changes in the labour market and consumer spending. These are particularly strong drivers of the property market. Unemployment stood at 8.3% in Q2 2016. There was an annual increase in employment of 2.9% or 56,200 in the year to Q2 2016, bringing total employment to 2,014,900. Employment grew in Dublin by 32,600 or 5.6% in the year to Q2 2016. The principal sectors which generate demand for offices are services, financial, insurance, real estate, professional, scientific, administrative and public administration. Employment in Dublin for these sectors grew by 18,100 in the year to Q2 2016. Indications are that the labour market will continue to improve.

The most recent Quarterly Financial Accounts for Q4 2015 indicates that household debt continues to decrease with a fall of €1.6 billion or 1.1%. It now stands at €149.6 billion and represents a household debt per capita of €32,269. This result marks the lowest level of household debt since Q1 2006. Personal consumption sales show signs of a strongly recovering economy. The longer-term trend for the KBC Bank/ESRI Consumer Sentiment Index continues to point upward, suggesting that confidence is still broadly positive. Retail sales are also improving with sales growth broadly based. Retail sales were 6.3% higher in the year to July 2016 in volume terms<sup>1</sup>. Excluding motor trades, retail sales were 2.7% higher in the year.

##### *IDA/FDI Employer Demands*

The IDA's foreign direct investment strategy seeks to win 900 new investments for Ireland between 2015 and 2019, thereby increasing net employment by 35,000. There was over

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<sup>1</sup> Retail Sales Index, CSO

70,000 persons employed in IDA assisted companies in Dublin in 2015. The Grange Castle Business Park is one of the main IDA business parks in the Dublin region.

### *Impact of External Factors*

As an open economy, Ireland and the Dublin office market is susceptible to external factors. These can be both positive and negative. The impacts of Brexit are not yet clear. There is the potential for the relocation of financial services companies from the City of London and initial reports indicate that there has been an increase in queries for office space in Dublin. However, this has not yet translated into actual demand for office space in Dublin. One market report<sup>2</sup> suggests that based on 1 in 10 financial services jobs moving from London to Dublin, a total of 60,000 additional jobs could be created, resulting in a requirement of 716,000 sqm of office floorspace in Dublin. It should be noted that this would represent a 20% increase in the existing floorspace in Dublin, which would be additional to organic growth requirements. Furthermore, the Dublin office market is segmented and financial service companies are likely to be attracted to city centre locations, rather than the western suburbs. However, if such companies do relocate to Dublin, it is likely that it will have a ripple effect throughout the market with displacement of certain companies to secondary locations in suburban areas.

Alterations to tax arrangements and rates by other countries (e.g. the USA and UK) may influence Ireland's ability to attract and retain FDI. Again, it is unclear how this will affect demand for office and employment space in Dublin.

There are also numerous other potential unidentifiable risks and opportunities that may affect the wider economic context for demand for employment floorspace.

### **5.2.2 Public Transport Accessibility**

Public transport accessibility and connectivity are key demand factors for employment. The public transport at Clonburris can be divided into existing and future public transport.

#### *a) Existing Public Transport*

Clonburris benefits from access to existing rail services that operate along the Kildare/Cork Railway Line, which includes a four-track system between Park West and Hazelhatch railway stations. Commuter rail services to and from Dublin City Centre along the rail line have recently been augmented through the upgrading of the Phoenix Park Tunnel for regular rail passenger services. Access to services along the Kildare/Cork Railway Line from the SDZ lands are currently afforded by the Clondalkin-Fonthill Rail station. Furthermore, an additional rail station is constructed within the SDZ lands at Kishoge. This station is not currently open to the public.

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<sup>2</sup>Reported in the Irish Independent 30/06/16

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Bus lane infrastructure are in place to serve the Clonburris area along the Grange Castle Road (R136), the Fonthill Road (R113), Adamstown Avenue (L1058) and Thomas Omer Way (L1059). Existing public transport services is a key element in attracting employment generating uses to the area.

*b) Future Public Transport Provision*

Further to the existing public transport infrastructure and services, the Clonburris SDZ will be served (both directly and indirectly) by further high quality public transport infrastructural projects planned under the *Transport Strategy for the Greater Dublin Area 2016 – 2035* including the DART expansion programme, the Lucan Luas extension and the Tallaght – Blanchardstown Core Orbital Bus Route.

The opening of the constructed rail station at Kishoge will provide a significant increase in accessibility to public transport for the western sector of the Clonburris SDZ lands. The Kishoge station is adjacent to the Grange Castle Business Park and may contribute to the development of synergies between the Clonburris lands and the business park.

A significant piece of planned infrastructure that may affect the attractiveness of Clonburris as a place of employment is the DART underground, which was approved by An Bord Pleanala in 2011. This project would connect Clonburris directly with the DART system of the Greater Dublin Area, allowing for quick access to and from the City Centre with stops at Heuston, the Liberties, Stephen's Green, Pearse Station and Spencer Dock with direct through routing to the DART north of Connolly and interconnection to other parts of the planned DART network. This expanded DART system directly serving Clonburris is likely to have a significant effect upon Clonburris both as a place of residence and a location for employment. Facilitating employment uses at Clonburris would also improve the business case for DART underground as it would more fully utilised contraflow peak hour capacity of the rail system. The introduction of DART would also significantly increase the level of service on the rail line.

The proposed Luas extension to Lucan also forms part of the *Transport Strategy for Greater Dublin Area 2016-2035* and would also contribute to the accessibility of the wider area. The proposed line is c1.8km from the northern boundary of Clonburris and would require high quality interconnection with bus services to be a significant demand factor for employment at Clonburris.

The Tallaght – Blanchardstown Core Orbital Bus Route is a planned public transport project under the *Transport Strategy for the Greater Dublin Area 2016 – 2035*. This project will provide an orbital connection for Clonburris to centres at Blanchardstown, Liffey Valley and Tallaght and to a variety of existing and planned public transport radial routes in the metropolitan network, greatly expanding the route and mode choice for public transport users. Enhanced public transport will improve the attractiveness of the area for employment generating uses.

### 5.2.3 Road Infrastructure

Clonburris is directly assessed by the R120, R126 and the R113 regional roads facilitating a north south travel demand in the general transport cell generally defined by the N4, N7 and M50. These regional and local roads provide connection with the proximate National N4, N7 and M50 routes. However, the site is not immediate or highly accessible from the motorway or national road network. In terms of employment demand, high accessibility to the national or motorway network can be a significant demand factor.

### 5.2.3 Sector Demands and Rents

#### *Offices*

There was a take-up of 270,000 sqm of offices in Dublin in 2015<sup>3</sup>, which is comparable to the peak in 2007. However, annual average office take-up (between 2004 and 2016) in the Dublin market is 172,000sqm<sup>4</sup>. Suburban offices accounted for 16% of overall take-up in Dublin in Q2 and 21% of overall take-up in the capital in the first half of 2016. Prime headline quoting rents<sup>5</sup> in the western suburbs are currently €151 per sqm, comparing with €296 per sqm in the southern suburbs.

Market sources estimate a demand of 240,000 sqm in Dublin during 2016, most of which will be in the city centre<sup>2</sup>. There is evidence of increasing demand for larger space of greater than 5,000 sqm. Demand is likely to outstrip supply over the next number of years. It should be noted that this is demand during a peak cyclical period for offices, and the longer-term average is c175,000 sqm.

#### *Industry (including light industry, science & technology, enterprise)*

Take-up in the Dublin industrial sector reached 92,425 sqm in Q3 2016, bringing total take-up in the first nine months of 2016 to 212,130 sqm. There was a take-up of 425,000 sqm of industrial floorspace in 2015, which was a record year. Take-up in this sector was down 31% in first three quarters of 2016. It is unclear yet whether this softening in take-up is a result of weaker general demand or constraints of new stock. However, the clear majority of this demand was met from existing vacant floorspace. The average take-up over the period 2006-2016 was c245,000 sqm. Prime industrial rents remained stable at €85 per sqm during Q3 of 2016.

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<sup>3</sup> 2016 Dublin Office Market Outlook, JLL

<sup>4</sup> CBRE Dublin Office Supply Update, November 2016

<sup>5</sup> Excluding rent free periods

## 5.3 Supply

### 5.3.1 Existing Floorspace

#### *Greater Dublin Area*

There is 3.7m sqm of office floorspace in Dublin, 60% of which is located in the city centre<sup>6</sup>. There has been significant office development in Dublin over the last number of years, although the new floorspace is only coming to the market in 2016. Market reports indicate that 372,637 sqm of new office accommodation is currently under construction in Dublin, which equates to just over 2 years supply and will add approximately 10% to the stock of office accommodation in Dublin in due course. It is estimated that 82% of new office space will be in the city centre and 18% in the suburbs. The current principal location for suburban new office development is in the south suburbs. There is no indication that office development has yet extended to the western suburbs.

#### *South Dublin*

##### *Town Centre and Regeneration Lands*

The existing urban centres in South Dublin County accommodate a significant quantum of existing business floorspace. An economic profile and survey of South Dublin was undertaken in 2014 and indicated that Tallaght and surrounding areas account for 27% of business premises in the County. Clondalkin (15%), Ballymount (7%), Lucan (6%) and Palmerstown (5%) are other existing significant locations for businesses in proximity to Clonburris.

The *South Dublin County Development Plan 2016-2022* provides an urban centre hierarchy including Tallaght (zoned TC), Clondalkin (zoned TC), Village Centres (VC), District Centres (DC) and Local Centres (LC). Clonburris is a designated District Centre in the Development Plan. The zoning in the Development Plan defines these centres and provides a policy framework for each. The Development Plan promotes the provision of people intensive employment and enterprise in the urban centres of the County. These centres offer significant opportunity for the provision of office, commercial and employment related uses through development of brownfield sites and intensification of existing uses. Research in the preparation of the Core Strategy of the County Development Plan outlined that there was 140ha of underutilised lands within the established centres of the County.

In addition to the zoned urban centres of the County, there is a further 250ha of strategically located brownfield lands zoned as Regeneration (REGEN) that can facilitate a mix of enterprise and residential development.

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<sup>6</sup> CBRE Dublin Office Supply Update, November 2016

### *Enterprise and Employment Lands*

There is 1,300ha of land zoned for enterprise and employment (EE) in South Dublin, of which 324ha remains undeveloped at the preparation stage of the County Development Plan 2016-2022. These areas of undeveloped land were mostly concentrated at Citywest and and Grange Castle Business Parks.

A survey of floor area of all lands zoned for enterprise and employment lands (lands zoned EP1, EP2 and EP3 in the 2010-2016 County Development Plan) in the County was undertaken in 2007. The results in Table 6 below provides a land use mix for the built out enterprise and employment (EE) lands and this can provide an indication of future land use mix on the 324ha of undeveloped EE zoned lands.

**Table 6: Land Use by Floorspace on Enterprise Priority (EP) Zoned lands in South Dublin (2007)**

| Use              | Floorspace (sqm) | % of Total  |
|------------------|------------------|-------------|
| Warehousing      | 2,531,004        | 58%         |
| Offices          | 668,322          | 15%         |
| Industry         | 460,757          | 10%         |
| Other commercial | 246,653          | 6%          |
| Non commercial   | 33,530           | 1%          |
| Vacant           | 449,827          | 10%         |
| <b>Total</b>     | <b>4,390,093</b> | <b>100%</b> |

*Source: Industrial Zoned Land Survey 2007*

Of the 668,322sqm recorded as offices, 133,657 sqm, or 3% of total floorspace, was recorded as Office Based Industry in the 2007 survey. A review of development constructed in the County between 2007 and 2016 has been undertaken as part of this study. Excluding retail development, a total of 195,191 sqm of floorspace was constructed between 2007 and 2015, with a further 212,000 sqm under construction in 2016. These figures did, however, include warehousing and data centres which generally have a low intensity use and high quantum of floorspace.

#### **5.3.2 Vacancies**

##### *Greater Dublin Area*

Office vacancy rates across Dublin fell in Q2 2016. Vacancies in the city centre area have declined in every quarter since Q1 2013, and recorded the lowest rate in the capital at 4.8%<sup>7</sup>.

<sup>7</sup> CBRE, Dublin Office Supply Update Q2 2016

This was 2% below Q2 2015. Vacancy rates also remained on a downward trajectory across all of the suburbs and stood at 11.2% at Q2 2016.

#### *South Dublin*

The LECP assessed the vacancy levels in South Dublin for Q4 2014. It does not however differentiate between types of commercial floorspace. It assessed the commercial vacancy rate (units) across the County. There was a commercial vacancy rate of 11.2% within South Dublin and accounted for 1,164 of the total 10,241 commercial address points in the County<sup>8</sup>. The assessment indicates that the clear majority of commercial activity in South Dublin takes place in only 16% of small areas (SAs) - areas such as Tallaght, various industrial estates in close proximity to the M50 and Liffey Valley, etc. Within these predominantly commercial areas, vacancy rates are highest in the John F Kennedy, Ballymount and Robinhood Industrial Estates to the east of the M50. Other areas of high vacancy are the Cherry Orchard Industrial Estate, Lucan (Barnhill Cross Roads) and Tallaght Village. The vacancy rates were 9.9% for Lucan, 13.9% for Clondalkin, 13.5% for Templeogue/Terenure, 9.5% for Tallaght and 5% for Rathfarnham.

#### **5.4 Conclusion**

There has been significant demand for offices in the Dublin area over the last 2 years, with resultant development of new offices, which are mainly located in the city centre. The pace of commercial development in South Dublin picked up significantly in 2016, but much of the additional floorspace was accounted for by data centres. Transport accessibility is a key factor in attracting regional office demands. Improving public transport (e.g. implementing the measures in the Transport Strategy for GDA) will be an important factor in ensuring that Clonburris realises its potential as an office/business location. The planning scheme area has potential for office and business premises for local employers in financial, professional services, insurance, legal services, property services, software and service start-up. It also has the potential to serve the regional Dublin office market.

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<sup>8</sup> The 2007 land use survey of the County found that the floorspace vacancy rate, as opposed to unit vacancy rate, was 10.2%

## 6 Floorspace Forecasting

### 6.1 Introduction

The methodology adopted for the floorspace forecasting is based on macro-economic forecasting for the Dublin region and establishing a share for South Dublin. A key element is the selection of the target employment sector. Employment includes a wide variety of different sectors, including agriculture, manufacturing, construction, retail, transport, IT, professional services, public administration, etc. However, from a review of policy and the availability of zoned land for certain uses (industry and warehousing), the forecast focuses on services employment sectors to establish floorspace requirements for Clonburris that are considered to be in line with policy and market demands. Ultimately, the methodology seeks to identify the gap between demand and supply, providing a quantitative assessment of required floorspace. A historic trend analysis of office take-up is provided, principally as a validation of the forecasts which are based on employment growth. In summary, the methodology is as follows:

- Identify target employment sector for the purposes of floorspace;
- Undertake employment forecast for the target sector for the Greater Dublin area and South Dublin based on CSO data and Forfas sectoral growth assumptions;
- Convert employment growth into floorspace equivalent for Greater Dublin area and South Dublin;
- Consider location of floorspace within the County and pipeline development; and
- Allocate floorspace to Clonburris.

Several key assumptions are made and sources of information used in relation to the forecasting. These can be summarised as follows:

- Dublin acts as a regional market, with South Dublin forming part of the suburban market.
- An annual average growth rate of 2.5% is selected for employment sectors targeted for the base case scenario and is based upon the recovery scenario in the Forfas publication Occupational Employment Projections 2020.
- Regional jobs are based on the most recent information from the Quarterly National Household Survey (Q2 2016). This information is not available on an individual county basis and therefore data on jobs for the South Dublin is based on the 2011 Census.

- The NACE<sup>9</sup> Rev 2 classification is used, which is the statistical classification developed by the EC.
- Employment number is based on full time equivalent (FTE).
- Employment densities vary depending upon location and precise use. A blended employment density of 1 job per 16sqm of gross internal floorspace is used with reference to corporate, professional services, financial/insurance and small business workspace<sup>10</sup>.
- Historic trend analysis is based on market reports of annual average office take-up within the Dublin region over the last 10 years. This accounts for development and economic cycles.
- The impact of international external events and factors (e.g. Brexit, change in international tax regimes) is not included in the base case scenario, although is included in the sensitivity test.

Retailing and retail services have not been considered as part of this study, as they are considered in an associated separate study. The floorspace identified in this study is additional to retail, retail services and community floorspace requirements for the Planning Scheme area.

## 6.2 Target Sector for Clonburris

The preceding sections reviewed different categories of employment land uses including enterprise, light industry, manufacturing, warehousing, office and office based industry. The County Development Plan indicates large areas of undeveloped industrial and business park zoning at Grange Castle and Citywest, which are suitable for large scale FDI type employment uses. In addition, there are high vacancy rates in older industrial estates in Clondalkin and Bluebell which need regeneration. Having regard to these factors, it was not considered appropriate to undertake more detailed assessment of future floorspace requirements for warehousing, or manufacturing industries. The Grange Castle and Citywest Business Parks may however also accommodate *office-based industries*, as per the County Development Plan definition. Having regard to the anticipated quantum of residential units within the Planning Scheme, the strategic location of Clonburris, the existing and planned transport infrastructure, it is considered that there is potential for the following type of commercial development:

- Potential for office and business premises for local employers in financial, professional services, insurance, legal services, property services, software and service start-up.

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<sup>9</sup> NACE is an acronym derived from the French title 'Nomenclature générale des Activités économiques dans les Communautés Européennes'.

<sup>10</sup> *Employment Density Guide* (Homes and Community Agency, 2015)

This demand, would in part, be generated by the resident population of Clonburris. The analysis indicates that there is a need for small flexible business premises.

- Having regard to the location on the rail corridor and close to the technological crescent which extends from Citywest to Grange Castle Business Park, there is potential for Clonburris to act as a secondary location for support services to the industries located in the technological zone, but which require high public transport accessibility.

### 6.3 Employment Forecast (Base Case Scenario)

The next step is an estimate of employment growth in target sector detailed above for Dublin and for South Dublin, in forecast years of 2025 and 2035. The following NACE Rev2 categories are utilised:

- Services (G to U)
- Financial, insurance and real estate activities (K,L)
- Professional, scientific and technical activities (M)
- Administrative and support service activities (N)
- Public administration and defence, compulsory social security (O)

The other assumptions are those outline in 6.1 above.

**Table 7: Employment Forecast to 2035**

| Area         | Industry of employment     | 2016    | 2025    | 2035      | 2016-2035 |
|--------------|----------------------------|---------|---------|-----------|-----------|
| Dublin       | Services, financial, admin | 691,700 | 863,839 | 1,133,431 | 414,086   |
| South Dublin | Services, financial, admin | 18,259  | 22,803  | 29,919    | 10,931    |

*Source: Census 2011 CSO (rebased), Quarterly National Household Survey Q2 2016 CSO*

The total increase in South Dublin employment within the identified sector in the 19 year period from 2016 to 2035 is 10,931 places of employment.

### 6.4 Office, Business Floorspace Forecast for South Dublin

The estimate of floorspace requirement between 2016 and 2035 for services, financial services, real estate, professional and administrative is based on multiplying employment growth in the period by the employment density (1 job per 16sqm).

- Dublin area - 414,086 x 16 = 6,625,381 sqm
- South Dublin - 10,931 x 16 = 174,890 sqm

### *Historic Trend Analysis*

A historic trend analysis can provide a validation of these figures, at least at the Dublin regional level. Based on an average take up rate of c175,000sqm of offices in the Dublin Region, and assuming a growth rate of 2.5% per annum of the period 2016 to 2035 would result in a regional requirement of 5.3 million sqm for floorspace, which is below the 6.6 million sqm forecast from employment growth in Dublin. The higher floorspace figure resulting from employment forecasts can be explained by the relatively high employment to floorspace ratios used and the length of forecast period. Generally, the historic trend analysis appears to validate the forecast.

### **6.5 Sensitivity Tests**

A sensitivity test has been undertaken which includes a higher growth rate in the employment sector identified. This growth rate could be because of job relocation following the exit of the UK from the EU. An annual average growth rate of 3% in the relevant employment sector is selected, as opposed to 2.5% in the base case.

The results in a floorspace requirement of 8,339,220sqm of office/business floorspace for Dublin and 220,129sqm for South Dublin by 2035.

### **6.6 Pipeline Development and Other Locations**

A review of pipeline development has been undertaken. This has involved reviewing permitted commercial development. Warehousing, data centres and retail floorspace are not generally considered compatible with the target sector and are excluded. A total of 87,911sqm of floorspace has been permitted but not constructed in the County. A view also has to be taken of how much of this floorspace will actually be constructed. On the basis that development permitted prior to 2015 will not be implemented, a pipeline development of c47,000 sqm can be assumed.

In accordance with the urban centre hierarchy policy in the County Development Plan, there are other significant locations in the County for local small scale businesses, including Tallaght Town Centre, Clondalkin Town Centre, district centres and villages.

In relation to regional office development, in addition to the urban centre hierarchy locations specified in the County Development Plan, Citywest Business Park and Grange Castle Business Park are significant locations in the County with established reputations and infrastructure. It is also noted that it is County Development Plan policy to direct people intensive enterprise and employment uses into lands zoned at Tallaght and Clondalkin. Other locations zoned for district centres, employment and enterprise and regeneration will be considered, subject to public transport accessibility.

Significant provision in these other locations in South Dublin, or indeed the Greater Dublin area, will result in less demand for commercial floorspace in locations such as Clonburris.

## 6.7 Floorspace Requirements for Clonburris

The office/business floorspace requirements for the County are estimated to be between 175,000 sqm and 220,000 sqm for the period up to 2035. The pipeline figure of 47,000sqm should be taken from this, giving a figure of between 128,000sqm and 173,000sqm of office/business floorspace. Clonburris can act as an employment centre for nearby resident population, but is only likely to become an attractive location for larger scale regional employers in the event that public transport services to the area are significantly improved. Consideration of comparable centres, with similar locational profile, gives an indication of critical mass that would be required. Centres such as Blackrock, Clongriffin and Adamstown are similar in profile with respect to accessibility to DART, or proposed DART, but with limited access to the national road network. These centres accommodate between 20,000 sqm and 40,000 sqm of gross office/business floorspace.

It is therefore considered that Clonburris could accommodate between 30,000 – 40,000 sqm of office/business commercial floorspace. Improvement of public transport (e.g. DART underground, Lucan Luas and Core Orbital bus services) would enhance the attractiveness of Clonburris as a location for the higher quantum of floorspace in larger floorplate buildings.

The floorspace could be provided in a range of building types, with small scale flexible floorspace of a total of 10,000sqm catering for small and expanding local business. Such floorspace could be provided for in earlier phases, in line with market demand and having regard to economic viability considerations.

## 7 Recommendations for Emerging Planning Scheme

Currently, there is little or no demand for office or commercial floorspace in the Clonburris area, as vacancy rates are relatively high. Viability of commercial floorspace in the early phases of the development of the Clonburris Planning Scheme may be very challenging. There will however be demand for office/business floorspace to serve the demands of the local resident population. However, while the adjoining road network is relatively good, Clonburris is not on the national road network and the area is unlikely to be attractive to regional employers in advance of significant improvement in public transport services.

There is potential to develop an employment cluster which both utilises the public transport accessibility and builds on the location of existing major employers in Grange Castle (e.g. Pfizer).

The development of employment uses at Clonburris and indeed Adamstown, would reinforce the business case for the commencement of DART underground. Other proposed public transport services (e.g. Luas and the Core Orbital bus route) will further improve the attractiveness of the area. Reserving lands for significant employment uses needs to be carefully balanced with the risk that upgraded public transport services are delayed. On the other hand, the long-term retention of existing low value, low intensity uses immediately adjacent to the railway stations would not be in the interest of sustainable development, as these lands could, in due course, be utilised by high density, higher value employment uses.

The following recommendations are made:

1. The Planning Scheme should accommodate 30,000 sqm of non-retail commercial floorspace with an allowance for up to 40,000sqm in the event of market demand.
2. The floorspace to be provided in the form of 10,000sqm of flexible floorspace to cater for small and medium sized expanding businesses and the balance to be provided for in buildings of a larger floor plate.
3. The non-retail commercial floorspace shall be focused around the Fonthill Road and Kishoge train stations. Provision of the floorspace can be evenly divided between the two centres adjacent to the stations.
4. Office/commercial floorspace provision could be provided in line with threshold of residential units as follows in Table 8 to deliver floorspace in tandem with population growth.

**Table 8: Phasing**

| Indicative Phase | Unit Nos.   | (sqm gross)          |
|------------------|-------------|----------------------|
| <b>Phase 1a</b>  | 0-1,000     | 2,000                |
| <b>Phase 1b</b>  | 1,001-2,000 | 4,000                |
| <b>Phase 2</b>   | 2,001-4,000 | 4,000                |
| <b>Phase 3</b>   | 4,001-6,000 | 20,000-30,000        |
| <b>Total</b>     |             | <b>30,000-40,000</b> |

*Source: MacCabe Durney Barnes*

## 8 Review of Draft Planning Scheme

### 8.1 Introduction

This section reviews the Draft Planning Scheme and allows consideration of its provisions in the light of the recommendations in Section 7 which informed its preparation. The original quantitative and qualitative assessment was undertaken based on a data cut-off date of 17<sup>th</sup> November 2016. It is acknowledged that there are some changes to the baseline and the impact of these are also considered in this section.

### 8.2 Changes to Baseline

There have been a number of changes to the baseline between November 2016 and August 2017.

At the macro-economic level unemployment has decreased from 8.2% in June of 2016 to 6.4% in July 2017. In addition, vacancy rates in suburban offices have reduced from 11.2% in Q2 2016 to 9.6% in Q2 2017. The improving economy will give rise to further demands for office and enterprise floor space. There is no further clarity in relation to the impact of Brexit, but anecdotal evidence suggests that significant relocation from London and elsewhere in the UK hasn't materialised to date.

### 8.3 Draft Planning Scheme Provisions

The main employment related provisions are contained in Section 2.6 of the Draft Planning Scheme. The recommended provision of between 30,000 sqm to 40,000 sqm is reflected in the Draft Scheme. The breakdown by area is detailed in Table 2.6.1.

| Development Area        | Minimum Employment Floorspace<br>(Gross Floor Area -sqm) |
|-------------------------|--|
| Clonburris Urban Centre | 18,515   |
| Clonburris South West   | 200  |
| Clonburris North West   | 200  |
| Clonburris South East   | 0  |
| Clonburris North East   | 0  |
| Kishoge Urban Centre    | 11,800   |
| Kishoge South West      | 200  |
| Kishoge South East      | 200  |
| Kishoge North West      | 0  |
| Kishoge North East      | 0  |
| Adamstown Extension     | 0  |
| Canal Extension         | 0  |
| <b>Total</b>            | <b>31,115 sqm</b>  |

It allows for different forms of floorspace to be provided including for general offices and enterprise, small flexible business premises and for support services for technological crescent from Citywest to Grangecastle Business Park. The focus for employment related floor space is

around the two train stations at Clonburris Urban Centre and Kishoge Urban Centre in line with the recommendations in Section 7.

It is noted that floor areas are not specified in relation to the phasing provisions of the Draft Planning Scheme and a more flexible approach to the delivery of employment floorspace is adopted. This allows for the delivery of floor space as demand arises.

#### **8.4 Conclusions**

The Draft Planning Scheme reflects the recommendations of Section 7 of this report.