

Irish Investment Property 2022

Pension Investment Opportunities

11th May 2022





Aengus Burns
Grant Thornton

Topic: Self-Administered
Pension Structures Update



Shane Finn
Partner

Topic: Commercial and
Residential Market Update



Ray McMahon
**Dilosk/
ICS Mortgages**

Topic: Funding Options
available for Investors



Karina Janeczek
Senior Associate

Topic: RTB

Agenda

5.00pm	Registration and networking.
5.15pm	Aengus Burns, Grant Thornton – Introduction & Self-Administered Pension Structures Update
5.35pm	Shane Finn, Partner, DNG Creedon - Commercial and Residential Market Update
5.50pm	Karina Janeczek, Senior Associate, RDJ - RTB
6.05pm	Ray McMahon, Dilosk/ICS Mortgages - Funding Options available for Investors
6.20pm	Panel discussion.
6.30pm	Presentation ends. Opportunity for networking.
7.00pm	Event close.



Self-Administered Pensions Property Update

Aengus Burns
Partner
Grant Thornton

11th May 2022



Grant Thornton at a glance

Firm overview

Grant Thornton Ireland has over 1,800 people in 8 offices across Ireland and Isle of Man and a presence in over 130 countries around the world. We bring you the local knowledge, national expertise and global presence to help you and your business succeed – wherever you're located. We deliver solutions to all business challenges. Clients choose us because the breadth of financial and business services they need is available, delivered innovatively and always to the highest standards. At Grant Thornton we are committed to long term relationships



€160,909,476

Turnover in 2020



Office locations

Dublin, Belfast, Cork, Galway, Kildare, Limerick and Longford



1,800+ employees

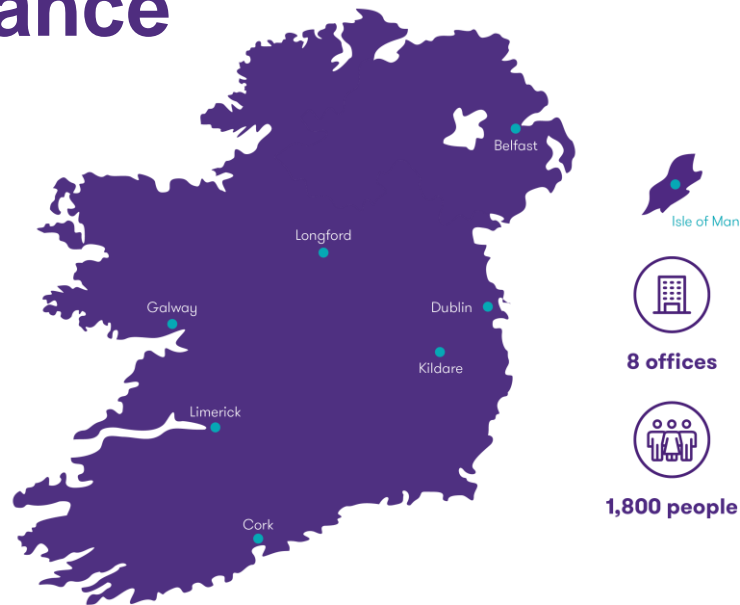


59 partners in Ireland

Recent awards

Every year the Reputations Agency runs a report ranking 100 significant entities around Ireland on Brand reputation including recognition and the consideration the brand brings with it. It is run across all sectors with the top 100 scoring ranked accordingly.

No 68 PwC
No 78 **Grant Thornton**
No 83 EY
No 87 Deloitte
No 95 KPMG



8 offices



1,800 people

"Our clients tell us that it's our collaborative and innovative approach that makes us differ from our competitors."

"Our relationships with many of our clients are long-standing and recurring, and this is due to our passionate approach to provide the highest quality of service at all times.."

Michael McAteer, Managing Partner Grant Thornton Ireland



Agenda

- 1 pension changes under IORPII
- 2 self administered pension structures
- 3 property and pensions
- 4 planning



IORPII Update

IORPII (Occupational Pension Schemes)

IORPII Directive Transposed by Statutory Instrument dated 22nd April 2021

- **one member, small schemes (schemes with less than 100 members) and trust RACs are no longer exempted from the IORP investment rules (5 year transition for some rules)**
- SSAP to be predominantly invested in regulated assets
- unregulated investments restricted in an SSAP (51%/49% rule)
- no new borrowing in SSAP
- changes are not retrospective
- no impact on PRSA, PRB and ARF

IORP II – (Occupational Pension Schemes)(OPS)

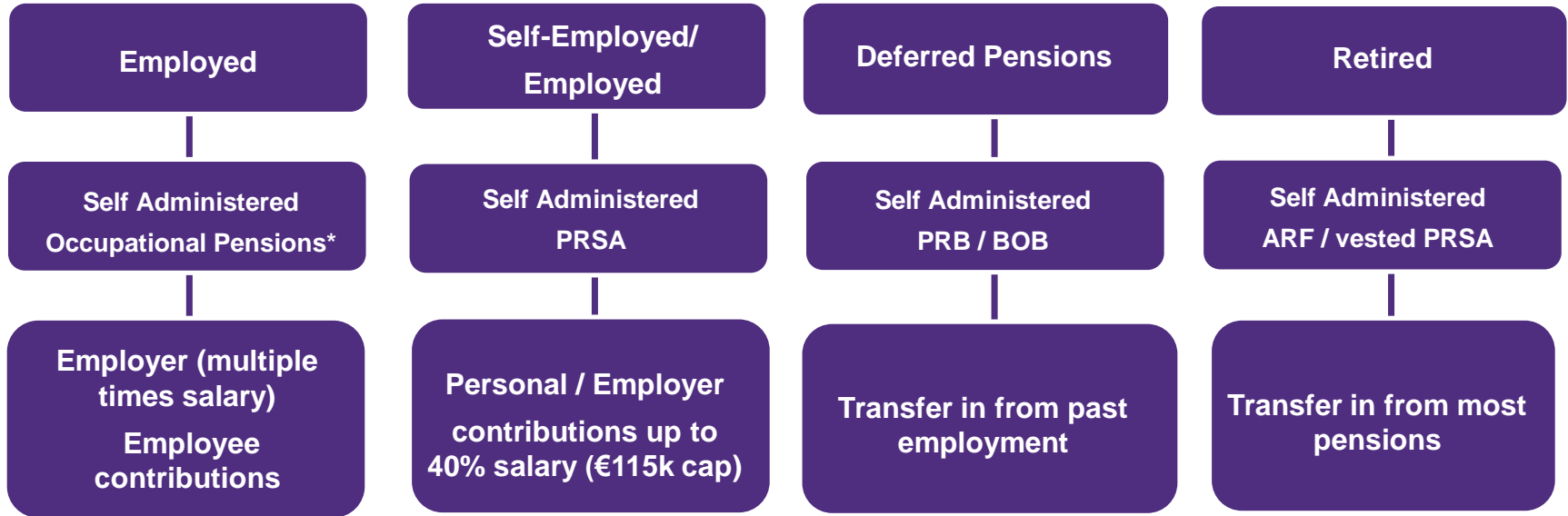
Pensions Authority FAQ'S to Trustees issued 16th November 2021

Main Points

- investments made prior to April 2021 will need to be ring fenced from subsequent investments
- existing borrowings can be moved to a new lender on certain conditions
- definition of regulated markets now refers to MiFID II directive
- where new OPS investments fall outside section 59AB (51/49% rule) they must be rebalanced within a reasonable period (one year)
- new schemes set up post April 2021 must comply fully with directive (scheme governance, compliance etc.)

Self Administered Pension Structures

Self Administered Pension structures



*now subject to IORPII investment rules

Property and pensions

SSAP

- 51%/49% rule
- no borrowing
- B&B option

PRSA/PRB

- no restrictions
- borrowing available
- funding issues

Exempt Unit Trusts

- only open to pensions and charities
- used for both regulated and unregulated investments
- individual unit trust and bank account for each property
- required for borrowing to purchase property
- portable between pension structures

Key revenue property restrictions

- arms length requirement (connected parties rule)
 - no purchase/sale to or from connected party
 - must be let at arms length (residential and commercial)
 - no private or connected party use
- property development is not allowed i.e. buy and sell on
- overseas properties
- scheme must have sufficient liquid assets to provide benefits
- diversion of the sponsoring employer's taxable activity

Direct Property Purchase Case Study



No borrowing Property purchase example with €250,000 pre-tax funds		
	Personal	Pension
Funds taken out of company	€250,000	€250,000
Income tax	€100,000	€0
USC/PRSI	€37,500	€0
Amount available for investment*	€112,500	€250,000



Comparison		
	Personal	Pension
Purchase price	€112,500	€250,000
Rental est. (p.a.)	€7,200	€14,400
Property agent & trustee fee (p.a.)	€0	€2,474
Rent net of tax (higher rate)*	€3,240*	€11,926

Direct Geared Property Purchase Case Study



With Borrowing

	Personal	Pension
Equity	€112,500	€250,000
Over 15 years @ 4.25%	(55% LTV) €137,500	(50% LTV) €250,000
Amount available for investment	€250,000	€500,000
Rental est. (p.a.)	€14,400	€28,800
Property agent & Trustee fee (p.a.)	€0	€4,948
Income Tax*	€5,308	€0
Rent net of tax/agent/trustee (p.a.)	€9,093	€23,852
C&I Bank Repayments p.a.	€12,412	€22,568
Net (deficit)/return p.a.	-€3,320	€1,284
*Income Tax after deduction for interest and other allowable costs		

Planning

Reasons to Fund Pensions

- fund for retirement (from age >50)
- avail of €2m Standard Fund Threshold
- Tax Free Lump sum
- extract surplus cash in company
- reduce Corporation Tax
- retirement fund for spouse
- trading risk management
- preparation for sale of business
- succession planning
- tax deferred personal wealth accumulation
- tax efficient investing



Moving to a PRSA

- can be used for un-regulated investments such as direct property (with debt).
- have as many PRSA's as you like (phased retirement), defer imputed distribution.
- max retirement age 75 versus 70 for OPS.
- death in employment PRSA becomes part of estate

Moving to a PRSA

- no share disposal for 20% directors on early retirement
- early retirement access for personal pension holders: transfer to PRSA and link to employment
- IORP II does not apply
- termination payments: no requirement to waive entitlement to lump sum

The 3 Pots

Personal

living expenses

higher income tax

personal risk

harder to build wealth

“tax on tax”

Company

generates income

lower corporation tax

trading risk

capital reliefs

pension funding

Pension

tax deductions

creditor unfriendly

tax deferral

lump sums

compounding effect

Thank you

Any questions?



Aengus Burns

Partner – Grant Thornton

M +353 (0)86 3371576

E aengus.burns@ie.gt.com



SHANE FINN

BSc (Hons), MIPFMA, MIPAV, MCEI

(Partner)

of **DNG CREEDON**

Auctioneers, Douglas, Cork



TOPICS TO BE COVERED

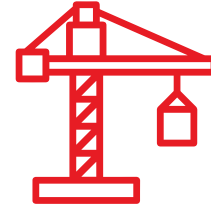
- Where is the market currently?
- What are the issues with the rental market?
- Where is the market heading?
- Is it a good time to buy property?
- What type of property should I be buying?
- How do I start and where do I look to buy?



WHERE IS THE MARKET CURRENTLY?



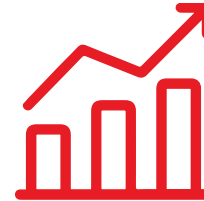
**THE FAMILY HOME MARKET
VERSUS THE INVESTMENT
MARKET**



**THE COST OF CONSTRUCTION
ON NEW BUILDS**



**THE COST TO CONSTRUCT
APARTMENTS**



**WHAT IS SELLING REALLY WELL IN THE
RESIDENTIAL MARKET AND WHAT IS NOT**

ISSUES IN THE RENTAL MARKET

- Tax on rental income
– PAYE, USC, PRSI
- Increased issues with Government interference
- Rent caps



**WHERE IS THE
MARKET HEADING?**

**Does it really
matter?**



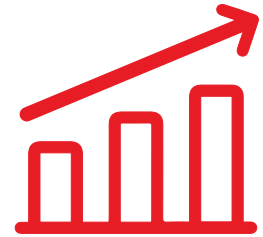
IS IT A GOOD TIME TO BUY?



Purchasing
for 10 - 20 years
ahead of now



Priority
is rental return
not capital
appreciation



Property
Investment
not Property
Speculation

WHAT TYPE OF PROPERTY SHOULD I BE BUYING?

- Commercial / Residential property
- Treat all property purchases as a business transaction
- Location
- Yields
- Wiser to have lower yields in a better location



4 RIVERTOWERS, CORK CITY

- 2 bed ground floor Apt
- Measures 63 sq.m. or 678 sq.ft. built in 2000
- Vacant for more than 2 years (NO RENT CAPS)
- Complex management charges €1250 p.a
- Capital Investment needed €15,000
- Potential Rent €1400 p.m or €16,800 p.a
- Max borrowing 50% LTV (Loan to value) €66,500 over 15 years (4.25% €500p.m)
- Borrowing Costs €6,000 p.a.
- Contribution €7870 to your Pension **PROFIT** (deductions-mortgage, MGT charge, Pro. Management)
- What you need to watch out for.
 - Stamp Duty 1%, Legal fees,
 - Fit out costs €15,000, arrangement fees to setup the loan running costs of the invest)



AMV:
€140,000
SOLD:
€133,000



111 OLD YOUGHAL ROAD, DILLONS CROSS, CORK

- Paddy Powers on ground floor and vacant restaurant on the first floor.
- Paddy Powers is out of lease currently paying €50,000 p.a
- How do you maximise your return?
- Convert the first floor into 2 residential units at a cost of €80,000 to €90,000 per unit.
- Bind the ground floor tenant into a new lease. Expected rent of €20,000 to €30,000 p.a.
- Combined rental income €48,800 to €63,600 p.a (allowed €1200 p.m to €1400 p.m on each of the residential.
- Total cost of project €355,000 to €375,000 (not allowing for purchasing costs)
- Yield 13.74% to 16.96%
- Max borrowing 50% LTV (Loan to value) at 4.25% €97,500 over 15 years
- Borrowing Costs €8,800 p.a
- Contribution €35,120 to €48,440 into your Pension
- **PROFIT** (deductions-mortgage, Pro. Management)
- What you need to watch out for (Stamp Duty on the



AMV:
€195,000
SOLD:
€195,000

71 MAIN STREET, MIDLETON, CO. CORK

- A stand alone block with a ground floor retail unit of 195 sq.m. and 3 Apts overhead. The overall size of the building is 370 sq.m. Built in 2007 at a cost of €2 million.
- Lease in place €44,000 + VAT for the entire building to be finished in 2026.
- Expected rental value of the building €68,061 p.a (part of this rent is liable for VAT). The brake down of rents for Apts €1200 p.m & €30K for retail unit)
- Max borrowing 50% LTV (Loan to value) €300,000 over 15 years.
- Borrowing Costs at 4.25% for 15 yrs €27,072 p.a
- Contribution €34,183 to your Pension **PROFIT** (deductions-mortgage, Pro. Management)
- What you need to watch out for. (Stamp Duty on the ground floor 7.5%)



**AMV:
€495,000
SOLD:
€600,000
+VAT**

GETTING STARTING AND WHERE TO LOOK TO BUY



GET PREPARED

Set your pension up, have your solicitor and engineer in place. Start a conversation with your financier if you are going down that route



BUYING THROUGH PRIVATE TREATY OR AUCTION

Make sure you have all your research done if you buy at Auction



AUCTION PLATFORMS IN IRELAND



SUMMARY

- Market issues
- This is an investment not a home
- Even if the market moves you are ahead before you start
- Have a plan in place, get organised and get out there and view properties





Residential Tenancies Board

Karina Janeczek

11 May 2022



Security of tenure for tenants



Part Four Tenancies

- For tenancies that commenced after 24 December 2016, after a 6-month probationary period, the tenant secures the right to remain in the property for a further 5.5 years. This is known as a 'Part 4 tenancy'.
- Under a Part 4 Tenancy, the tenancy can only be terminated by the Landlord in specific circumstances. (Residential Tenancies Act 2004 (as amended) ("RTA")).

Tenancies of Unlimited Duration - Key Change introduced by the Residential Tenancies (Amendment) Act 2021

- New Tenancies created on or after 11th June 2022 will become tenancies of unlimited duration where the Tenant has had 6 consecutive months in occupation under the tenancy and where the Landlord has not served a valid notice of termination within that 6-month period.
- A Landlord will still have the right to terminate a tenancy on the specific grounds provided in the Residential Tenancies Act 2004 (as amended).
- Transitional measures will apply to convert existing tenancies to tenancies of unlimited duration.

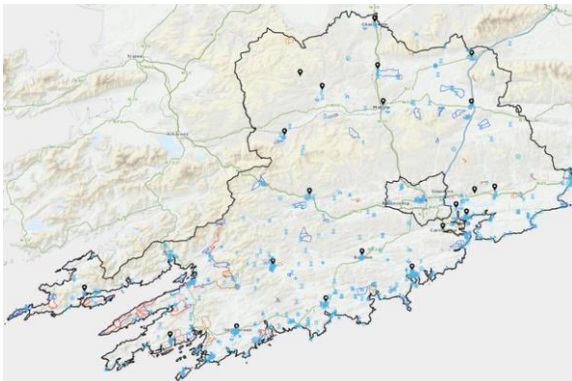


Rent Pressure Zones (RPZ)



- The Residential Tenancies (Amendment) Act 2021 has significantly reformed RPZs.
- A Rent Pressure Zone (RPZ) is a designated area where rents cannot exceed general inflation, as recorded by Harmonised Index of the Consumer Price (HICP), or 2% per year pro rata, where HICP inflation is higher.
- This 2% Cap was introduced as a response to sharp increases in inflation.
- Applies to New and Existing tenancies unless there is an exemption applicable.

Rent Pressure Zone Locations



- 6 Local Authority Areas and 48 Local Electoral Areas (LEAs) including:
- Cork City Council, Ballincollig – Carrigaline LEA, Cobh LEA, Fermoy LEA, Middleton LEA, Macroom LEA, Mallow LEA and Bandon – Kinsale LEA
- Full list available on RTB.ie

<https://www.rtb.ie/during-a-tenancy/rent-review-in-a-rent-pressure-zone-rpz/where-are-rent-pressure-zones>

Calculating rent in a Rent Pressure Zone

- Landlords can use the RPZ calculator on RTB.ie to calculate the allowable rent increase for their property.
- The RPZ Calculator will also tell you if your property is in a RPZ when you input the address or Eircode.
- Landlords should sign and serve any notice of rent review on the same day as reviewing the rent. At least 90 days notice must be given to the tenant and a copy or screenshot of the calculation should be saved.
- <https://www.rtb.ie/calculator/rpz>

Student Specific Accommodation (SSA)



- New HICP rent setting rules and use of the RPZ calculator apply to all private rented tenancies including tenancies and licenses in Student Specific Accommodation (SSA).
- Student Specific Accommodation (SSA) now falls within the remit of the Residential Tenancies Board since 2019.
- Students do not enjoy Part 4 rights and are not entitled to the further 5.5 years as is the case for a Part 4 tenancy or a tenancy of unlimited duration under the new rules.
- It is important to note that each individual room in a unit will have to be individually registered with the PRTB.

How often can the rent be reviewed in a Rent Pressure Zone?



- For tenancies in Rent Pressure Zones, reviews can occur every 12 months from the date the rent was last set.
- For Tenancies outside of RPZs, Landlords can serve a rent review notice every 24 months from the date the rent was last set.
- The rules surrounding the frequency of how often landlords can serve rent review notices have been extended until 31st December 2024.
- The rent set for the property must also not be above market rent, and three examples of rents for comparable properties must be presented to demonstrate this.
- Where a tenancy is in existence at the time the relevant area is designated as an RPZ, it will remain within the 24 months timeframe with regards to rent review (every 12 months thereafter).

Rent review Calculation Example

- A rented property is located in an RPZ. A tenant moved in on 11 December 2020 and a rent of €1,800 was set. The landlord is entitled to review the rent following 12 months from the tenancy commencement date and proceeds to enter the relevant details in to the RTB Rent Pressure Zone Calculator on 11 December 2021.
- The calculator informs the landlord that the maximum increase in rent permissible is €36. This is because the new rules that have been introduced state that rents cannot increase by more than 2% per year pro rata, where HICP inflation is higher.
- As the HICP inflation for the period of time between the rent first being set and then being set pursuant to the rent review is 5.2%, the 2% per year pro rata cap applies. The new maximum rent for the property is €1,836, which represents a 2% per annum pro rata increase (€1,800 x 2% p.a.) (from RTB.ie)

Exemptions to the Rent Pressure Zone rental cap



Not all rental properties in Rent Pressure Zones are subject to the HICP Inflation restrictions

Exempt properties include:

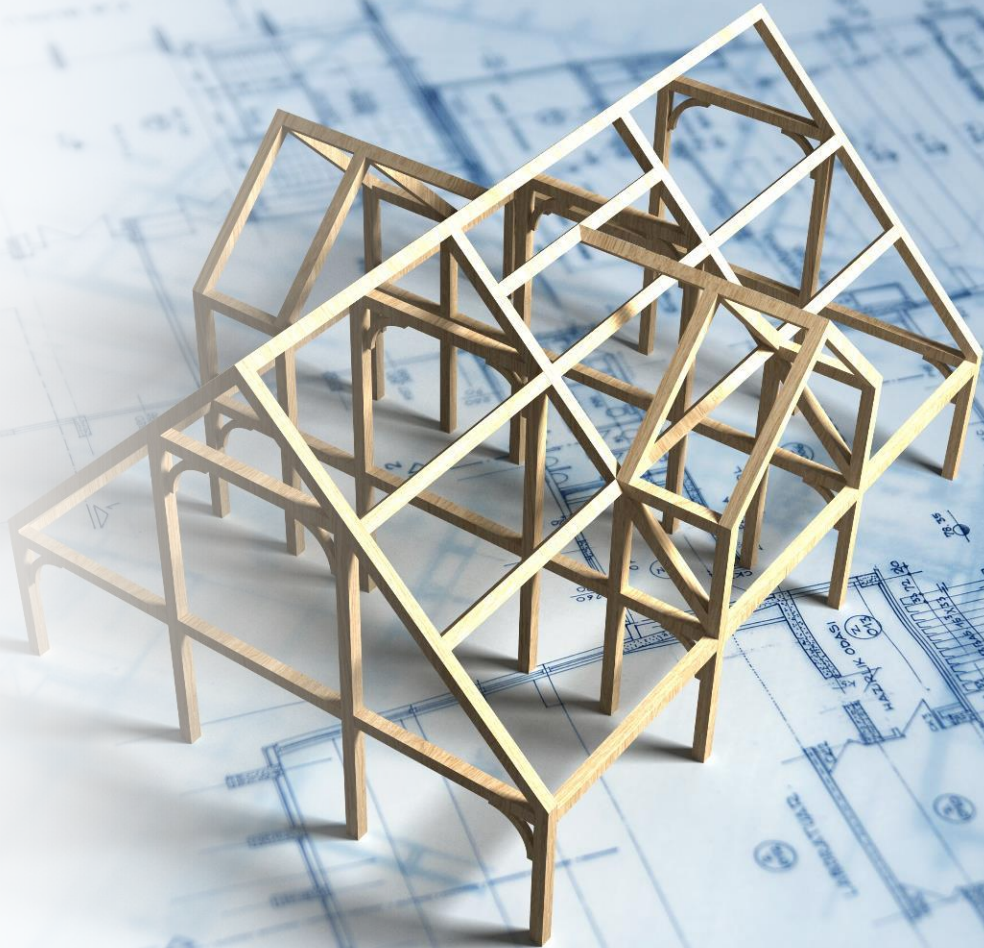
- Properties that have not been let at any time in the previous two years. All rent reviews thereafter fall under RPZ Rules.
- A new Tenancy in a protected structure that has not been let out in the previous 12 months.
- Properties that have undergone a substantial change in the nature of the accommodation. (Only for rent setting purposes or for the purposes of a rent review of an existing tenant after the substantial change occurs and not for any subsequent rent reviews).



Substantial Change Exemption

Must meet one of the following criteria:

- 1) Permanent extension to the property resulting in at least a 25% increase in floor area; or
- 2) BER rating is improved by not less than 7 building energy ratings; or



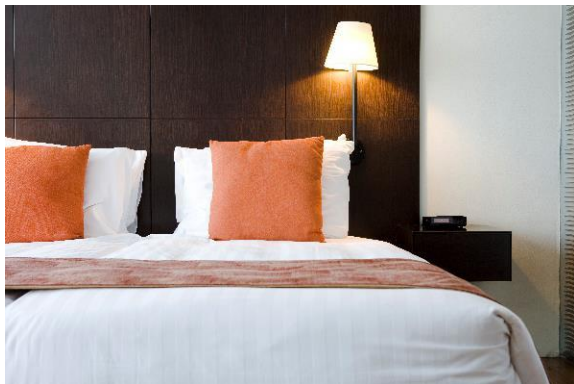
Substantial Change



3) 3 or more of the following criteria:

- Internal layout of the property is permanently altered; or
- Property is adapted to provide for access and use by a person with a disability (within meaning of Disability Act 2005); or
- Permanent increase in number of rooms; or
- BER is improved by not less than 3 building energy ratings (where BER of D1 or lower); or
- BER is improved by not less than 2 building energy ratings (where BER of C3 or higher).

Substantial Change



- Exemption does not extend to works which comprise the ongoing maintenance and upkeep of a property or works which are undertaken to bring the property up to meet minimum standards.
- For example, an upgrade and modernization of the property, replacing appliances or furniture for example, while improving the property, do not constitute a change in the nature of the accommodation being provided.

Terminating a Part 4 tenancy



Valid reasons for terminating a Part 4 tenancy:

- The tenant has failed to comply with the obligations of the tenancy (having first been notified, in writing, of the failure, and given an opportunity to remedy it.)
- The landlord intends to sell the dwelling within the next 3 months
- The dwelling is no longer suited to the needs of the occupying household
- The landlord requires the dwelling for own or family member occupation
- Vacant possession is required for substantial refurbishment of the dwelling
- The landlord intends to change the use of the dwelling

Ending a Tenancy- substantial refurbishment



There are two important aspects to ending a tenancy on this ground:

- The proposed works must be substantial and;
- The works must require the property to be vacated.

The landlord must offer the property back to the original tenant on completion of the works.

New obligations of Landlord Introduced by the Residential Tenancies (Amendment) Act 2019 with respect to Substantial Refurbishment

Notice of termination must now state:

- Whether Planning Permission is required;
- The name of the contractor (If any);
- The date on which the intended works are to be carried out; and
- The proposed duration of the works

Certificate of Registered Professional



Notice must also contain, or be accompanied, with a certificate in writing of a registered professional (within meaning of Building Control Act 2007) stating that:

- Proposed works/refurbishment would pose a health and safety threat to occupants of the dwelling and should not proceed if dwelling is occupied.
- Such risk is likely to exist for such period as is specified in the certificate which shall not be less than 3 weeks.

New Notice Periods



- Since 2019 the notice periods which a landlord must provide to a tenant when serving them with a notice of termination have been extended
- The amount of notice required is determined by the length of time the tenant has been in occupation.
- Lease agreement may specify a longer notice period or a shorter period may be agreed between the landlord and tenant, however, this can only be agreed once a notice has been given.

Duration of Tenancy	Notice Period
Less than 6 months	28 days
Not less than 6 months but less than 1 year	90 days
Not less than 1 year but less than 3 years	120 days
Not less than 3 years but less than 7 years	180 days
Not less than 7 years but less than 8 years	196 days
Not less than 8 years	224 days

BetterLet RTB Accredited Landlord Scheme



- Option for Landlords to become accredited by the RTB.
- Involves completion of an RTB accreditation course and a multiple-choice assessment.
- Accreditation lasts for two years and is reviewed on an annual basis. Accreditation can be renewed by completing a refresher or top up session within two years.
- Benefits include use of the BetterLet logo to show that the Landlord is part of an accreditation scheme.

Investigations and Sanctions

- **The RTB established an investigations and sanctions unit in 2019:**
 - Failure to Comply with the Rent Pressure Zone (RPZ) requirements.
 - Seeking to rely on RPZ exemption which does not comply with the requirements.
 - Failure to notify the RTB about the reliance on an exemption to the RPZ requirements within 1 month from the setting of the rent.
- **Failure to register tenancy with the RTB within one month of the tenancy commencing.**
 - Citing in a Notice of Termination a reason for terminating the tenancy that is false or misleading in a material respect.
- **Seeking a deposit in excess of one month's rent** (tenancies created from 9 August 2021).
- **Failure to notify the RTB of changes to certain details of the tenancy (including new rent set, tenant details, landlord details) within 1 month of the change taking effect.**
- Failure to offer a tenant their tenancy back when terminated for certain reasons.
- (see RTB.ie and Part 7A, Residential Tenancies Act 2004)

Questions?



Karina Janeczek

Senior Associate

Ronan Daly Jermyn LLP

E. karina.janeczek@rdj.ie


T. +353 21 2332815

www.rdj.ie



| DILOSK |

|  ICS Mortgages |

|  Grant Thornton

Buy-to-Let Mortgages

Ray McMahon

Chief Commercial Officer

May 2022



Agenda

1. Brief Company Overview



2. Pension Unit-Trust Buy-to-Let Mortgages

- Our Proposition & Lending Guidelines
- Refinancing Property Portfolios

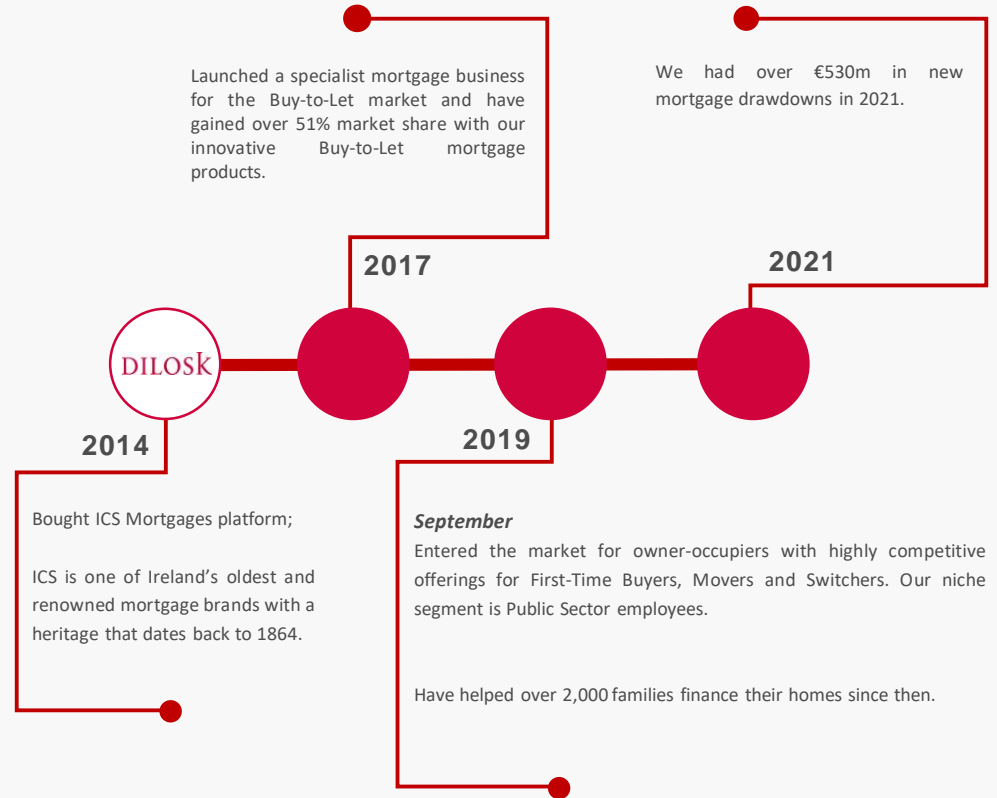


Company Overview

DILOSK

- Irish financial services company
- Regulated by the Central Bank of Ireland

All our Mortgages are originated through our direct channel and our network of appointed nationwide brokers.



Buy-to-Let Mortgages

Our Proposition & Lending Guidelines

Financing Property Portfolios



Our Target Market

- Established Landlords Refinancing Property Portfolios
- New Buy-to-Let Property Investors
- Tailored solutions for new portfolios



We lend to:

Individuals (up to 4 individuals on a mortgage)

Companies (including Special Purpose Vehicles)

Pension (Unit Trusts)



Pension (Unit Trust)

Product Features



Non-Recourse Lending



Year

Up to 15 Year Capital & Interest Option

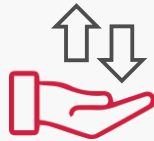
LTV

Up to 50% LTV

Rates From

4.25%

Variable Rates from 4.25%



Loans From:

€40,000

Up to:

€500,000

5 to 15

Term 5 to 15 years



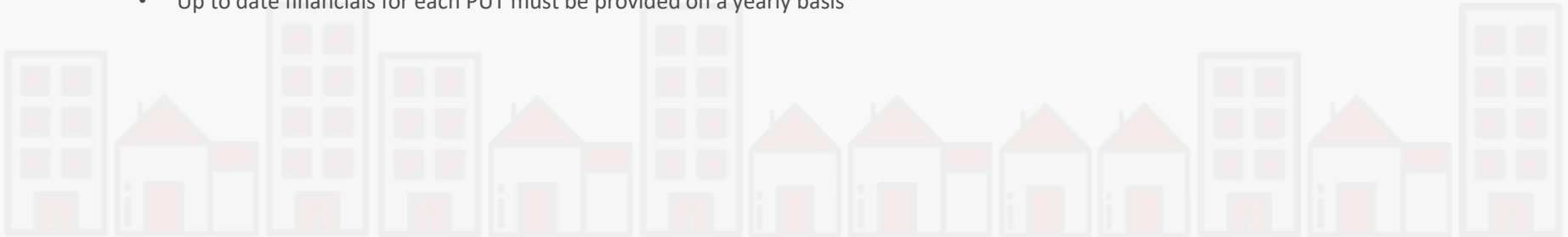
Min property value:

€80k

(No max property value)

Lending Criteria

- Confirmation required that all letting/rent collection will be arranged and managed by a third-party property management company
- Only one investor/beneficial owner allowed for each sub trust fund
- Refinancing debt from existing pension funds, will require evidence of the original purchase transaction in the existing fund
- Under Revenue Guidelines, Interest only loans are not permissible.
- A copy of the overall liquidity position, post the property transaction, to be provided prior to funds being released
- Our recommended requirement is for 12 months mortgage repayments to be available within each fund
- Up to date financials for each PUT must be provided on a yearly basis



Borrower Profile

- The applicant must reside in the EEA.
- The BTL property must be located in the Republic of Ireland and not used as a principal private residence
- All applicants must be the owner of at least one residential property in the ROI other than the buy-to-let property being financed
- Non- Recourse Lending for Pension (Unit Trusts) only
- A valuation of each property is required

Geographic Locations

- We will lend for properties in urban centres in Ireland with a population greater than 10,000 people



Lending Criteria

- A max of 75% of the gross rental income from the proposed property should equal or exceed 1.2 times the scheduled repayment
- A max of 75% of the gross rental income from the proposed property should equal or exceed 1 times the scheduled repayment at an interest rate of 6%
- The gross rental income from the property, together with other surplus disposable income should equal or exceed the scheduled repayment (please note for this test all contractual mortgage debt is stressed at the contracted rate plus 2% - regulatory requirement)
- Concentration limits may apply on a case by case basis

Age Profile

- Minimum age at application 21 years and Maximum age on maturity 75 years

Legal Fees

- €1,815 + Outlays

Application Fee

- 0.5% of the loan amount

Loan to Values - Pension (Unit Trust)

Area	LTV	Max Loan Amount
Main Urban Areas*	50%	€500,000
Others (Population > 10,000)	50%	€500,000

Variable Rates


Rates effective from 05.05.22

Borrower Type	Product	≤ 50% LTV
Pension Unit Trust	Capital & Interest	4.25%

*Main Urban Areas include “Dublin (and surrounding counties Kildare, Wicklow, Meath, Louth), Galway, Cork and Limerick”. Lending guidelines and rates as at 01.04.22 and may be subject to change. Lending criteria, Terms and Conditions apply. Dilosk DAC, trading as Dilosk and ICS Mortgages, is regulated by the Central Bank of Ireland.

Pension Unit Trust Mortgages



- Non-Recourse lending
- Administered in conjunction with  **Grant Thornton** who are on our panel of approved Trustees
- Customers/Beneficiaries must get independent Pension advice to confirm this product is suitable for their needs
- Appeals to individuals who are looking for more options regarding the management of their pension and wish to acquire a Buy-to-Let property in a tax efficient manner



Specialist Buy-to-Let Refinancing Unit

- We have seen a significant demand in the number of clients wishing to refinance their Buy-to-Let portfolios
- We can refinance existing Buy-to-Let Mortgages in Pension Unit Trusts
- We offer tailored solutions for property portfolio refinancing

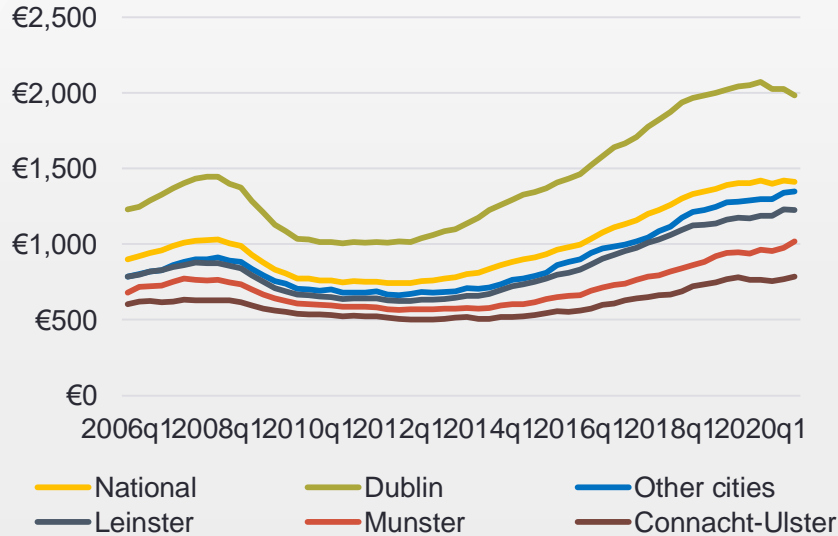


✓ **These portfolio investors are often:**

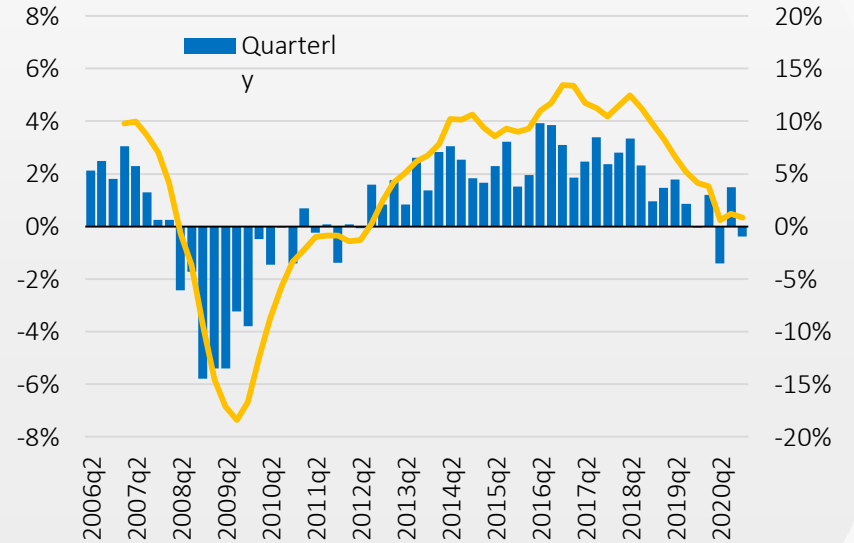
- On terms with their existing lenders that are coming to an end (e.g. an interest only period due to expire)
 - Looking to release equity outside their pension to fund additional properties in a pension portfolio
 - Looking for a more competitive offering
 - Coming up to a break clause with their existing lender
 - Those with unencumbered properties are not permitted to release equity within the PUT.
- We offer no cross security which allows for easier portfolio management

Rents rose for 29 quarters 2012-2019, nearly doubling in total, but Covid-19 has ended inflation in that sector, **albeit at levels 37% higher than the previous peak.**

Average monthly rental price, by market

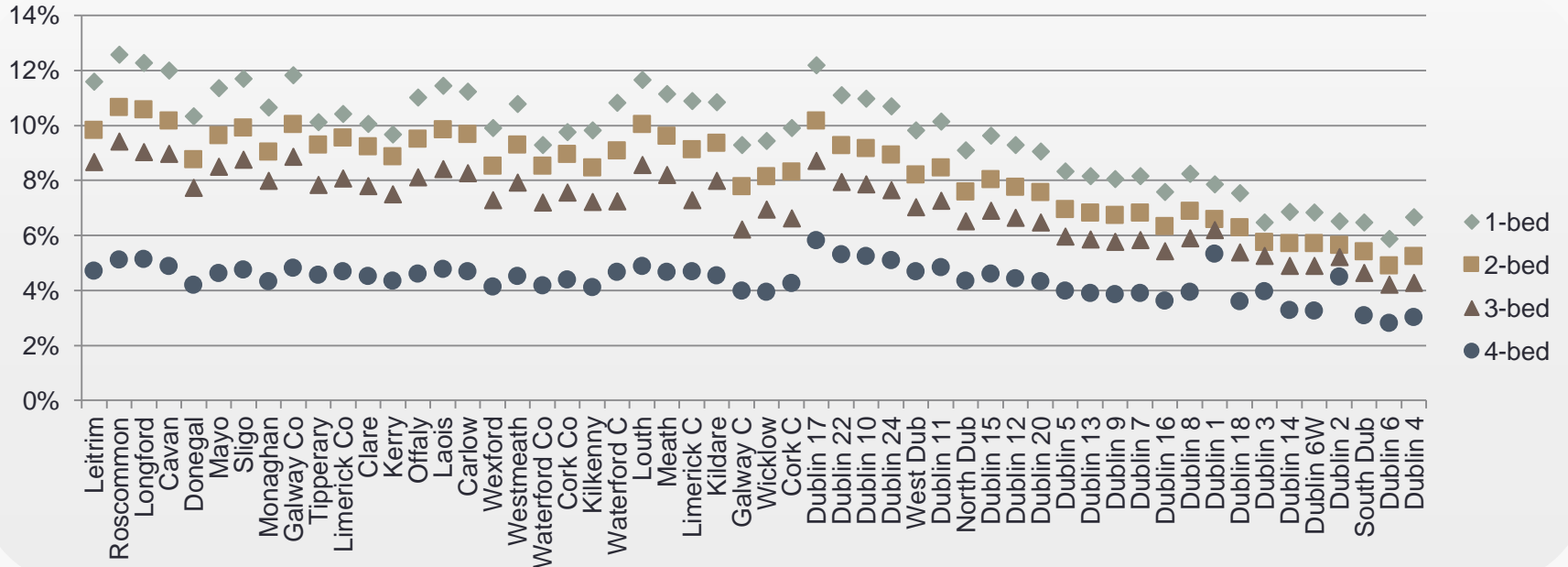


National rental price inflation



Gross yields on residential real estate vary dramatically by market, **from 10%+ for 1-beds in many locations to 3% for 4-beds in the most expensive markets.**

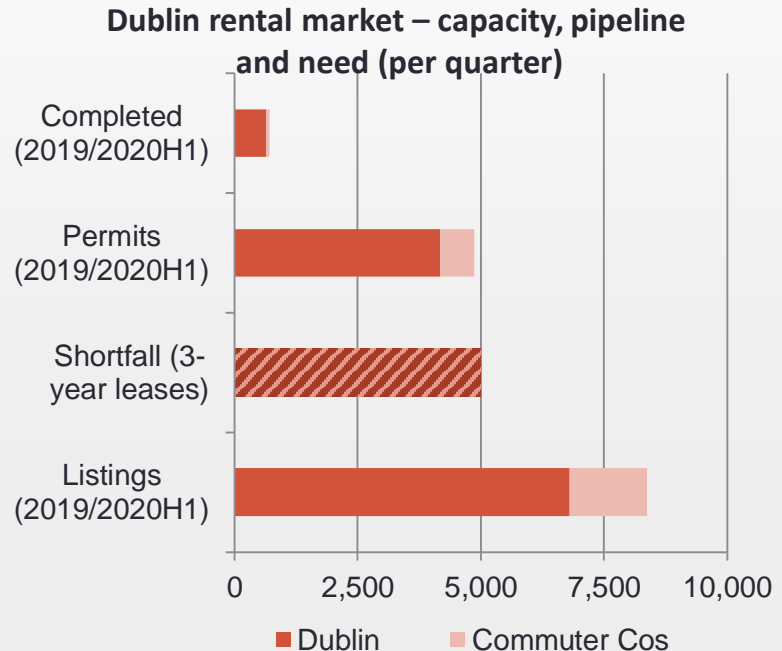
Average gross yield for residential real estate, end-2020, by property size and location



Source: Analysis of Daft.ie Report; Markets are sorted from left to right by the 2020 price of a 3-bed semi-detached property (Ronan Lyons 03.21)

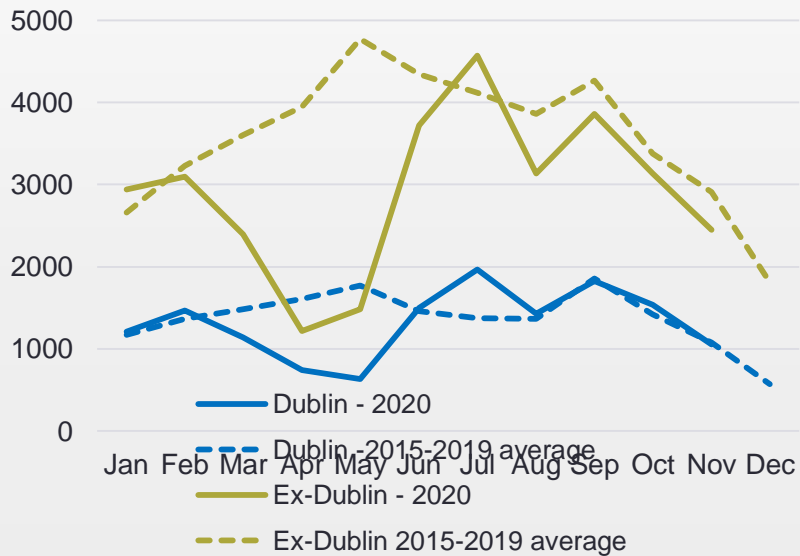
Based on current rental market dynamics, **Dublin needs at least 72,000 new rental apartments to prevent further upward pressure on rents.**

- Greater Dublin currently sees ~8,000 rental listings per quarter – below the ~13,000 needed to keep rents from rising
- Therefore, based on existing demand, Dublin needs 60,000 new rental apartments built'
 - 5,000 for each of 12 quarters, assuming 3-year leases on average
- In 2019/2020H1, permits were granted for ~5,000 new apartments each quarter
 - However, completions during the same period averaged just 700 per quarter
 - Also, some units may have been granted permission twice; other are for sale, not PRS

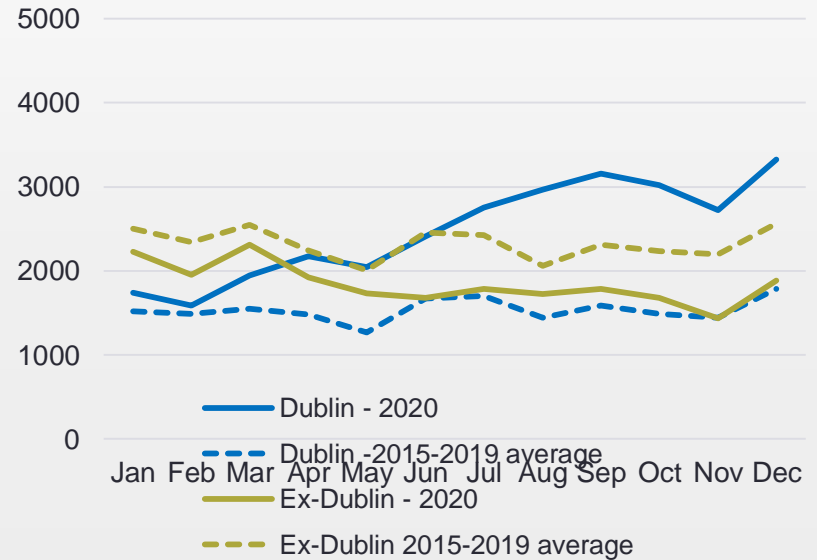


Covid's immediate impact was to reverse trends in sale and rental markets – **with sale listings collapsing in Level 5 but Dublin rentals up significantly.**

Number of sale listings, by month



Number of rental listings, by month



Demand for rental properties set to continue well into the future...

Homeowners converging
towards low European
levels

Chronic **housing shortage**
in our cities

Transitory workforce

Rents higher than they
have ever been

Approaching stronger
employment metrics

**Shortage in rental
properties** continues

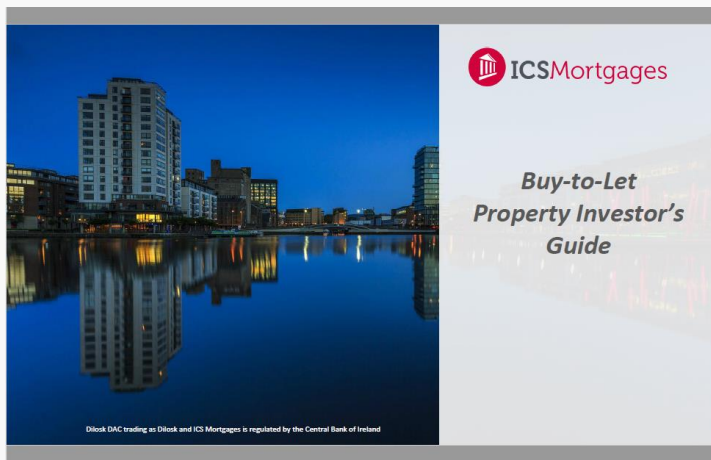
**Barriers to purchase for
individuals/homeowners**

Strengthening of **Tenancy
laws**

We have produced comprehensive guides which cover several case examples

Available to download on icsmortgages.ie/btl-mortgages

Guide for Property Investors




Guide to Portfolio Refinancing



| DILOSK |

|  ICS Mortgages |

|  Grant Thornton

Q&A

We would be delighted to do business with you!

0818 427 427 | icsdirect@dilosk.com

Follow us on     @ICS_Mortgages



Panel discussion



Thank you