

C H E R R Y W O O D

D U B L I N

HINES CHERRYWOOD DEVELOPMENT FUND ICAV

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54-62 Townsend Street
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Ireland

BY EMAIL: FPladmin@dlrcoco.ie

Forward Planning Infrastructure Department
Dun Laoghaire Rathdown County Council
County Hall
Marine Road
Dun Laoghaire
Co. Dublin

31 January 2024

RE: CHERRYWOOD TOWN CENTRE REVIEW – TC1B

Dear Sir/Madam,

This submission is made on behalf of Hines Cherrywood Development Fund ICAV (hereinafter 'HCDF') in relation to lands at Cherrywood known as **TC1B (Blocks B1-B6), HIE 4 (M8) and HIE 5 (M2)**. It should be read in conjunction with the two separate submissions made by BMA Planning on behalf of HCDF in relation to planning issues specifically.

HCDF welcome the opportunity to engage in this non-statutory public consultation process as part of review of the Cherrywood Town Centre & Environs. HCDF has been encouraged by the open dialogue displayed at the recent Landowners Briefing held in the County Hall on 24 January 2024. This submission is made in support and recognition of the willingness of the Council to propose changes to the Cherrywood Planning Scheme, which we believe are essential to allow the full development of Cherrywood Town Centre to be progressed and concluded.

Our submissions to the Have Your Say Non Statutory Public Consultation regarding plot TC1B (Blocks B1-B6), as prepared and submitted by BMA Planning, summarises and updates the previous submissions, reports and presentations made by HCDF since 2019. The most recent presentation was made jointly by the Town Centre Landowners in March 2023, a copy of this presentation is appended to this letter.

The HCDF submission is focused on establishing the parameters for a revised planning application for the TC1B plot based on a scheme that is suitable from a planning perspective and commercially viable. Insofar as possible, the focus of our submission is on proposed Amendments to the Cherrywood Planning Scheme which we firmly believe are needed to facilitate a revised TC1B planning application to be made and ultimately enable a viable and vibrant Town Centre to be developed.

The BMA Planning submission also contains an A3 Design Booklet containing layout plans, images and 3D perspectives. In addition, we have prepared a physical model of the Cherrywood Town Centre. It

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represents the scheme currently under consideration but is not intended to suggest that this scheme is frozen or that it will not continue to evolve in response to the various design, planning, and development considerations over the coming months.

As stated in previous submissions, HCDF does not believe that there is a need to change the Vision and Principles set out in the Cherrywood Planning Scheme. Nor should the majority of the urban design principles and infrastructure proposals for the Town Centre be changed, indeed much of the infrastructure and several of the residential blocks are now already constructed and occupied. There has been a significant amount of detailed design and technical work undertaken by HCDF in collaboration with DLRCC since 2015 and a large quantum has already been delivered. In particular, this includes access and egress points into the TC1B plot.

It is important that any amendment made is sustainable, flexible and deliverable. Regarding the "Spatial Concepts 3" plan included on Page 11 of the Have Your Say Public Consultation document, we would like to highlight a number of points which DLRCC and your professional team should be cognisant of, in so far as they relate to TC1B in particular:

- A single central square is not recommended, given the size of the site and the layout, size and configuration of ground floor units which will be required by retail occupiers. Based on best practice in international retail scheme design, a race-track street layout with two generous sized internal public squares will provide a superior urban form, enable appropriate massing of buildings, together with a network of streets to allow pedestrian movement throughout the site and sunlight into the attractive well-proportioned public spaces. The pedestrian and cycle links around the town will support the building layouts which allow for a workable retail scheme.
- It is not possible to create an additional crossing at Cherrywood Avenue North directly adjacent to the access of the underground ramp that services TC1B. This ramp has already been constructed. A crossing located due south of where now indicated may be possible if the Cherrywood Ave / Wyattville Link Road junction design is amended in consultation with TII / NTA.
- Relocating the pedestrian bridge closer to Grand Parade is not deliverable as (i) it is proposed to be located above the service access to the development which has been constructed and located to serve both TC1 and TC2 developments, and (ii) it would reduce and limit the catchment that would utilise the crossing as people are likely to use the Grand Parade route through the residential private open space in TC1B.

It is requested that the design constraints of each of the Town Centre plots be carefully assessed and taken into account when any Amendment is being prepared, considering discussions to date between

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developers, DLRCC, TII/NTA, and other third parties, including issues raised and dealt with in previous planning applications.

It is welcomed that development viability is being considered by the Council in the Review of the Town Centre. We have set out below a number of key issues and principles which currently effect the viability of the permitted TC1B scheme. Addressing or acknowledging these issues and site constraints will enable development to be brought forward. Our proposed amendments to the CPS will greatly enhance the viability, diversity and sustainability of the Town Centre through the provision of residential units in TC1B, overlooking and integrated into the design and layout of the retail, non-retail and community spaces.

Standalone retail development, such as the TC1B permitted scheme are facing significant headwinds and the value of Irish retail shopping centres has been negatively impacted by various factors over the past 5 years which, including:

- Fluctuating retail consumer demand
- Growth in online retailing
- Falling rents
- Shorter lease terms
- Leases linked to turnover (which is continuously changing)
- Rising investment yields

In addition, the Covid 19 pandemic has accelerated structural changes within the retail occupier market, further impacting the viability of new retail and shopping centre developments, including;

- Limited pool of fashion anchor tenants of sufficient covenant strength
- Risk averse retailers, reluctant to commit to unproven locations
- Growth in online retailing severely impacting demand for new stores

As a result of the convergence of the issues above, there is limited appetite for pure retail development opportunities, with investors and lenders attracted to mixed use schemes with diverse income streams and risk profiles, reinforced in particular in Ireland by the under supply of new housing and the anticipated continued demand for high quality well located apartment development.

In addition to the general market conditions described above, the TC1B site has specific development complexities, which each impact the overall cost and value of the development:

- For the benefit of urban form and pedestrian movement, the UDF requires the entire servicing and parking requirements for TC1B to be provided at basement level. Based on the quantum

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of development currently specified in the CPS, this requires a 3 level basement to be constructed, requiring the excavation of up to 60,000 cubic metres of soil. An amendment to the CPS which would allow a revised mix of land uses and reduced parking standards may allow a smaller 2 level basement to be constructed, however the cost of this is still anticipated to be in the region of €70m. The construction cost of each of the basement parking spaces is considerably in excess of the value to be generated by each of the spaces, therefore placing a burden on the above ground uses which must subsidise the basement development cost.

- The entire basement to ground floor podium level must be built at one time, including the service yard, and cannot be phased. There are significant time, cost and funding implications to this. In particular, the need to construct a substantial portion of the development upfront prevents the phasing of development and reinvestment of finance which might otherwise occur in a scheme of this size.
- Much of the infrastructure into and surrounding the TC1B site has already been constructed and funded by HCDF, due to the combined planning application covering TC1, TC2 and TC4, and need for upfront infrastructure to facilitate those buildings which are now constructed and occupied. The cost of this infrastructure is being carried by HCDF, and for which there is no financial return until the TC1B development is constructed and occupied or sold.
- In order for the scheme to be successful as a retail centre, and attract the target and desirable range and profile of occupiers, the design of the ground floor layout and units must be a key consideration in the design of the overall scheme, creating both design challenges and opportunities for incorporating other uses, both within the ground floor footprint and at upper levels. Arguably the development of such a mixed use scheme on a confined site of this nature has not been designed or built to this extent in Ireland to date.
- The topography of the site and adjacent land uses adds further design challenges, including the slope of the land from west to east, the Wyattville link Road dual carriageway to the south, and existing Luas viaduct to the east. Each building created on TC1B must be dual aspect, again such circumstances being unusual in Irish retail centres, leading to design and build costs bespoke to this scheme. Sections of the car park and service yard must be built under the existing Luas viaduct, regarding which remediation works have already been carried out to the viaduct structure in preparation for the TC1B development.
- In addition to construction and design costs, there are other development costs which are unusually high in contrast to comparable schemes and development on other sites. As the Council are aware, the Section 48 and Section 49 levies are higher than elsewhere in the County and Country. The scale of the project, and the inability to phase the development, will

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itself require significant debt and equity finance, and which is likely to be required over the entire 2-3 year build period. The rapid increase in Euribor base rates over the past 12 months has significantly added to the cost of borrowing.

We would welcome the opportunity to meet with the Council to further explain and expand on the above issues, constraints and costs over the coming weeks, and to provide an forum to explore development opportunities which may emerge.

In addition to the TC1B submission a separate submission regarding plots HIE4 (M8) and HIE5 (M2) has been submitted by BMA Planning. In this submission, HCDF asks the Council to consider allowing greater flexibility and/or the expansion of the list of primary land uses which are suitable for these plots, to ensure the sites are brought forward for appropriate development, and that the desired range of public services, facilities and amenities can be accommodated within the Town Centre and more widely across Cherrywood as a whole.

HCDF are greatly encouraged that this review is underway and are preparing to move forward with the development of the sites as soon as amendments to the Cherrywood Planning Scheme can be adopted.

Yours sincerely,



Brian Moran
for and on behalf of
Hines Cherrywood Development Fund ICAV

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