

Sustainability & Value Creation in the Private Rental Sector

REPORT

CBRE RESEARCH

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PRS: An Untapped Sector

From 2018 to 2024, nearly €10 billion was invested into the private rental apartment sector in Ireland, with 95% of this investment occurring in Dublin. This investment, in many cases, acted as funding for the construction of thousands of new apartments during this time.

Unlike in European cities such as Amsterdam, Berlin and London, the institutional ownership of rental properties was not a feature of the Dublin market until this period of investment. Dublin now has a maturing, professionally managed private rental sector, with domestic, European and U.S. investment funds owning and operating a combined 34,000 units.

The sector has clearly scaled, but the bulk of these new purpose-built schemes are not maximising value potential from a sustainability perspective. As illustrated in Figure 1, the bulk of the buildings in the Dublin market do not have top-tier sustainability credentials under the [LEED](#), [WELL](#) or [BREEAM](#) certification systems.

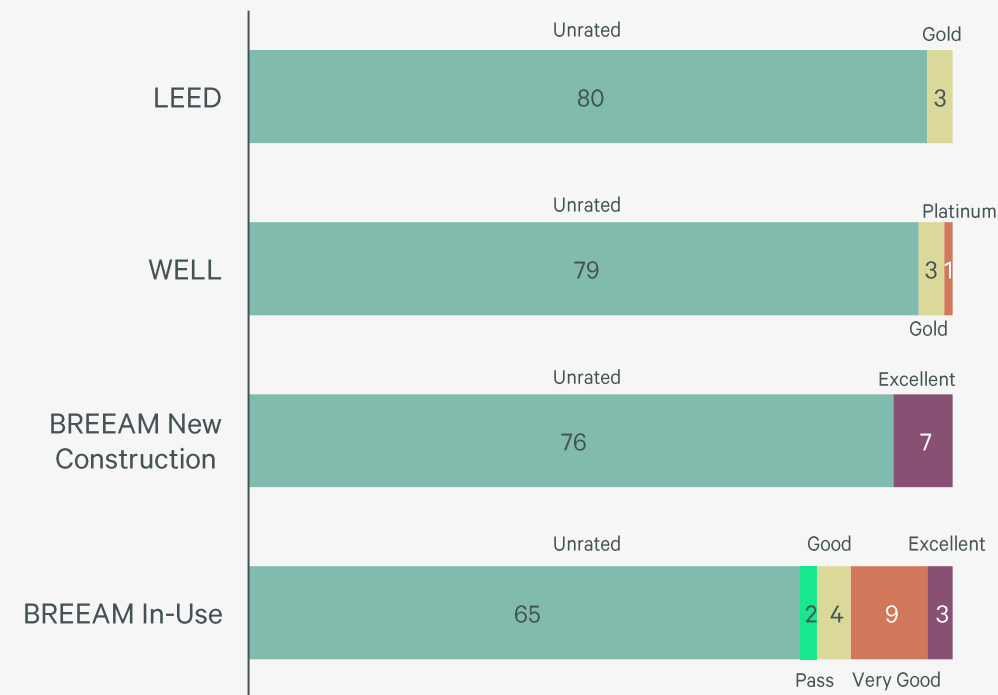
In this report we map out the scale of the opportunity and the potential benefits to landlords to enhancing the efficiency of their buildings and achieving a strong credential under one of these systems. We also outline two important recent case studies where landlords have implemented strategies to achieve the [BREEAM In-Use](#) ‘Excellent’ credential at the time of selling the building.

Top Tier Credentials Attract Additional Investor Interest

In Ireland, all new buildings constructed since 2020 must be [nearly zero energy buildings](#) which command a high level of energy efficiency. Several specific sustainability rating tools have also been adopted, most commonly LEED and BREEAM New Construction, to assess buildings on a standardised basis. Buildings can also achieve separate ratings post-construction, e.g., the BREEAM In-Use certificate. These ratings can both protect and enhance a building's value in the eyes of potential investors.

FIGURE 1

Number of Dublin PRS Schemes with Sustainability Certifications*



Source: CBRE Research;

*Rating systems are an excellent way of ensuring an asset is planned and operated to the highest sustainability standards. This helps to future-proof the asset as regulations evolve and climate targets approach.

The Opportunity

CBRE estimate that 70% of all of the private rental apartment schemes built in Dublin since 2020 (83 schemes in total) have no sustainability rating at all.

To focus on **BREEAM** specifically, just ten buildings in Dublin have achieved the 'Excellent' result under the **BREEAM** rating system. Seven of these buildings have achieved this accreditation at the time of construction, but three have also achieved it during use.

Spencer Place, located in the north docklands and developed by Ronan Group Real Estate & Fortress Capital, and OPUS at 6 Hanover Quay, sold in 2023 by Carysfort Capital & Angelo Gordon to Spanish investor Pontegadea, are two such buildings to have now achieved **BREEAM In-Use 'Excellent'**. Notably, Spencer Place recently achieved the credential with a rating of 79%. The highest-scoring BREEAM residential asset in the UK&I.

The respective landlords recognised the potential return on investment of achieving this credential and employed a range of methods to achieve it. We outline some of the key methods to achieving this certification on [page 6](#).

Residential Investment Activity Set to Increase with Regulatory Change

With the potential for some loosening of rent control policy in the Dublin market coming in 2025, CBRE expects to see an increased level of capital targeting the residential sector, and landlords considering a sale should be prepared.

Landlords should act now to seek out ways to achieve this credential in advance of a sale process, as data collection can be required over a period of time to prove different efficiencies.

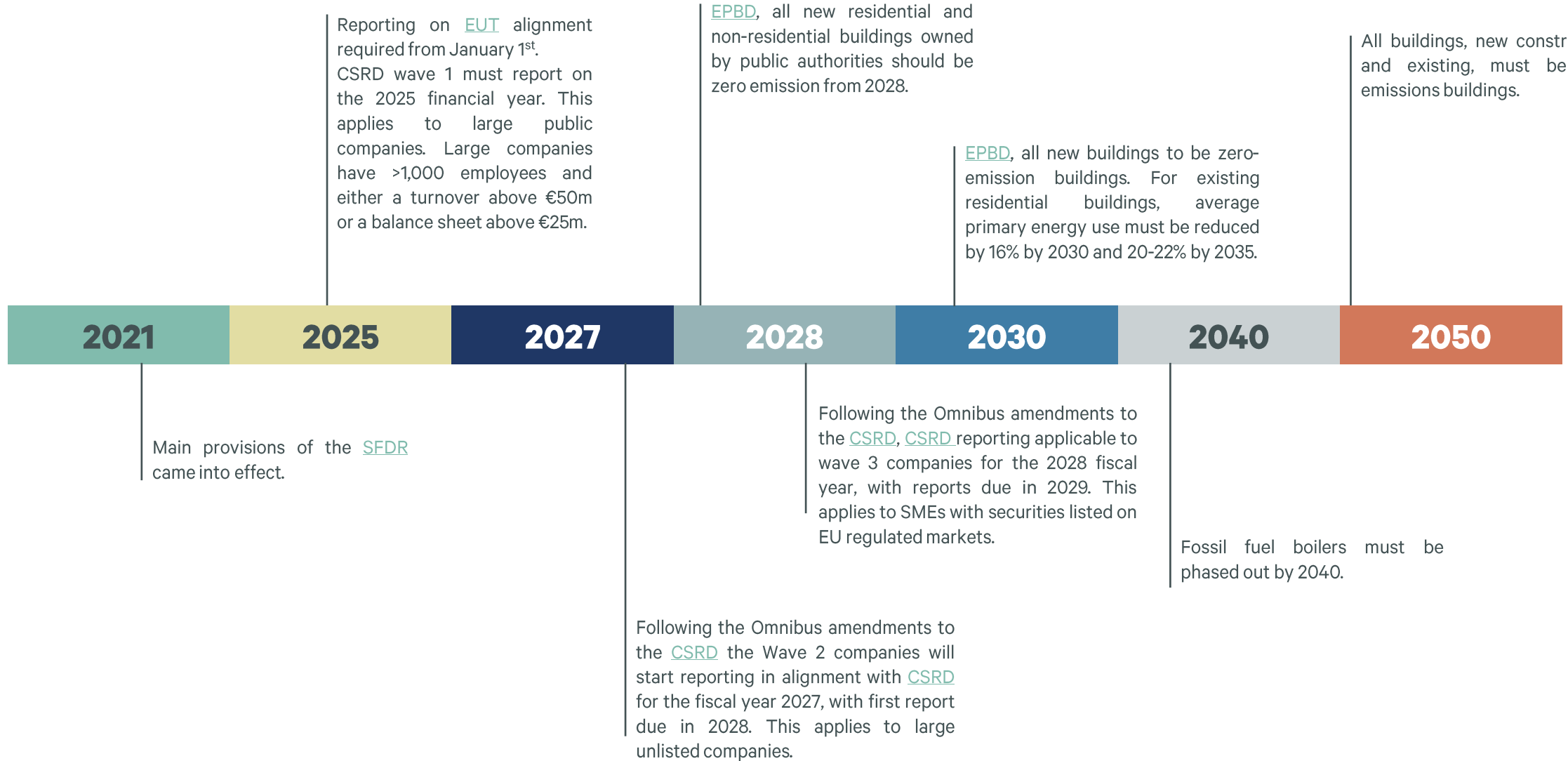
FIGURE 2

BREEAM 'Excellent' PRS Schemes in Dublin

Property	Location	Landlord	Units	Sustainability Rating
Cherrywood TC4	Dublin 18	Hines	520	BREEAM New Construction Excellent
Coopers Cross	Dublin 1	Kennedy Wilson	471	WELL Gold LEED New Construction Gold BREEAM New Construction Excellent
Two Oaks	Dublin 16	Ardstone	450	BREEAM New Construction Excellent
Newmarket Yards	Dublin 8	Bain Capital	413	BREEAM New Construction Excellent
Spencer Place	Dublin 1	RGRE	393	BREEAM In Use Excellent
Clancy Quay Phase 3	Dublin 8	Kennedy Wilson	246	BREEAM New Construction Excellent BREEAM In Use Very Good
Clancy Quay Phase 2	Dublin 8	Kennedy Wilson	163	BREEAM In Use Excellent
Newtown Gardens	Co. Dublin	Union Investment	124	BREEAM New Construction Excellent
OPUS, Six Hanover Quay	Dublin 2	Pontegadea	120	BREEAM In Use Excellent
Sandford Lodge	Dublin 6	Kennedy Wilson	36	BREEAM New Construction Excellent BREEAM In-Use Very Good

Source: CBRE Research

The Timeline to Climate Neutrality



Why Certify Your Asset?

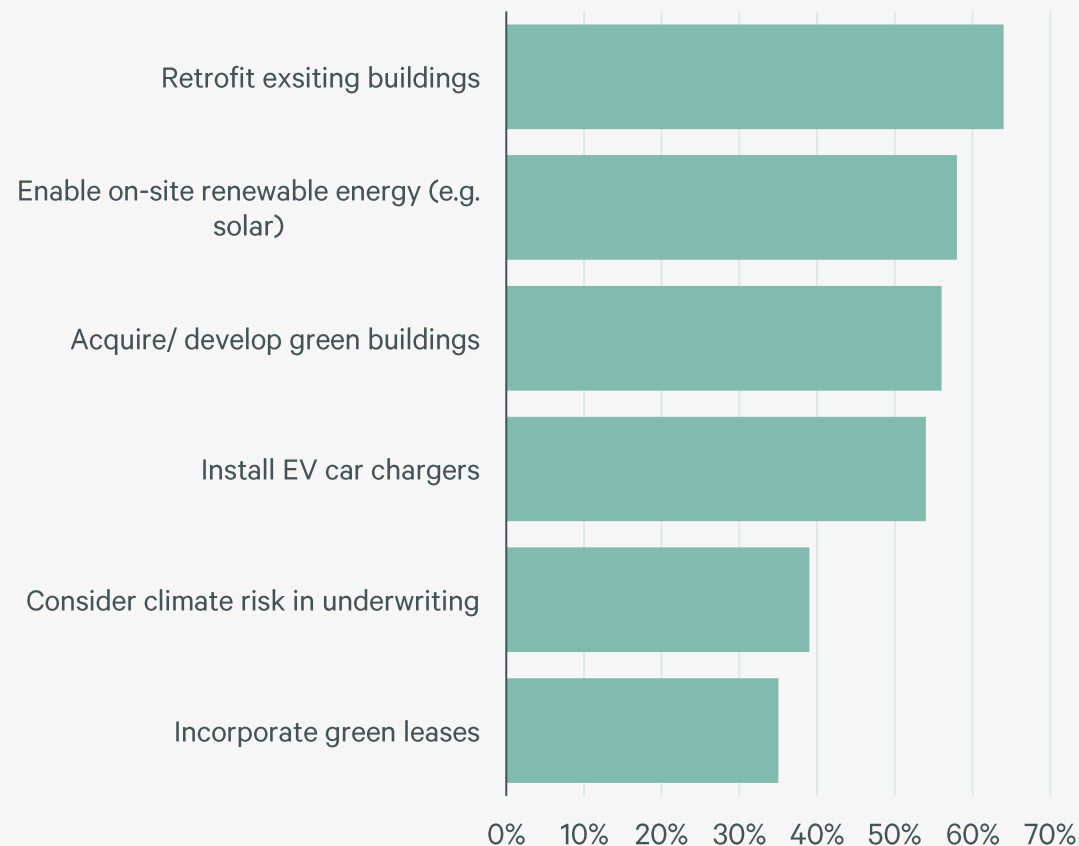
The [CBRE European Investor Intentions Survey 2025](#) found that over 95% of real estate investors factor sustainability into their investments. Respondents increasingly look at sustainability as a means of combining resilience and value creation. Of note, 56% of respondents acquire or develop green buildings.

Certification is a large part of verifying an asset as green and it has the potential to add value in a sales process. Prospective purchasers who are required to report on [CSRD](#) and [EUT](#) will look for certification to ensure the asset aligns with their sustainability goals.

- Achieving a global standardised certification allows investors to benchmark assets across their portfolios. Additionally, BREEAM In-Use certification aligns with reporting standards and can assist in categorising investments or activities.
- The assessment process can highlight areas of improvement in terms of energy saving and cost efficiencies that could be implemented. It can also indicate target areas in order to improve the overall rating.
- Regulations in the financial markets are also increasingly centred around sustainability and financial institutions are creating products aimed at financing green investments which are based on energy performance certificates.

FIGURE 4

Sustainability initiatives considered when investing in real estate



Source: CBRE European Investor Intentions Survey 2025

Achieving Certification

There are several sustainability certification schemes that have been adopted in the Irish residential market, as seen in Figure 5. The most well-known rating tools are LEED New Construction and BREEAM New Construction, both of which can be applied to residential assets. To achieve certification under these schemes, the developer must commit to certification early in the project’s design and appoint a consultancy and construction team that can deliver the rating. It is very challenging, if not impossible, to retrospectively apply LEED and BREEAM New Construction, as there are requirements for the design and construction process.

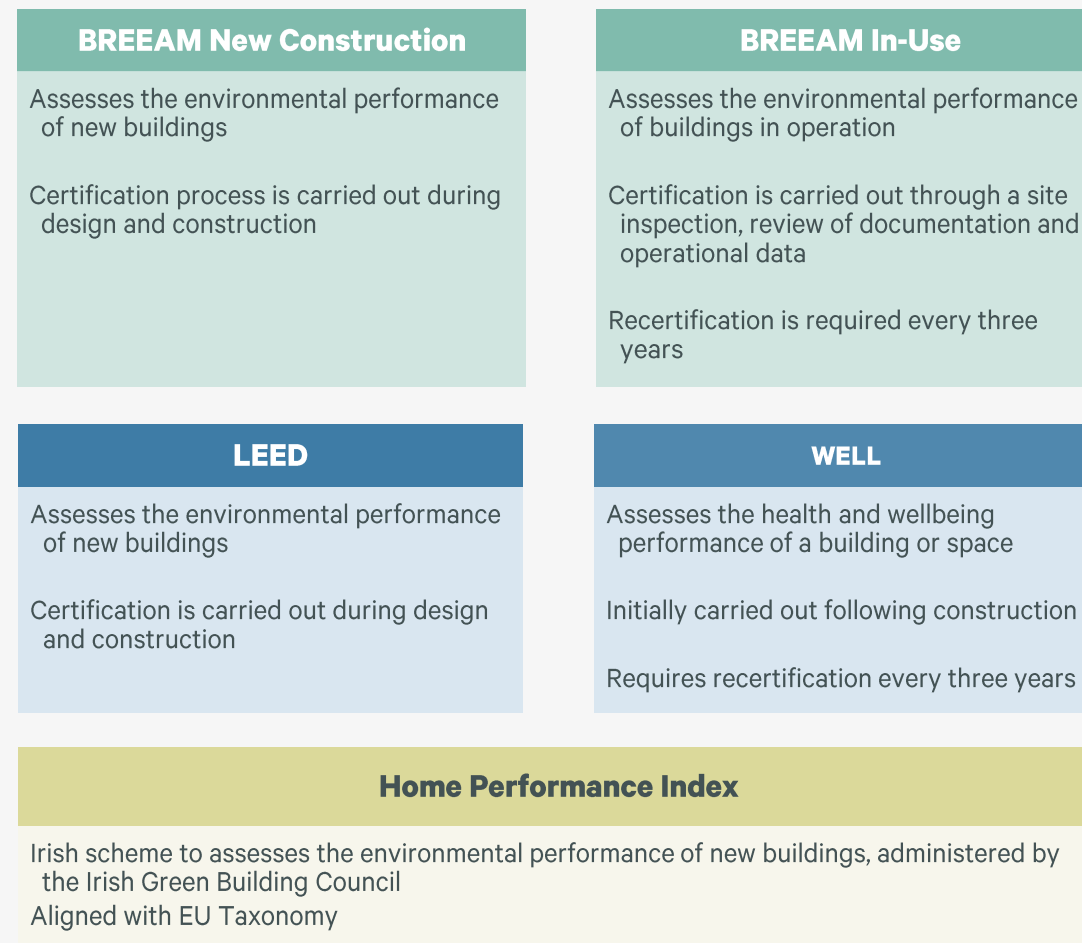
However, as there is a growing demand for certification from investors and funders and to support asset owners’ ESG position, it is possible to apply BREEAM In-Use to existing residential assets. BREEAM In-Use can be a short and lower-cost pathway to certification.

Characteristics of BREEAM In-Use High Scoring Properties

Those that achieve the highest certification go above and beyond what is required in the building regulations. Particularly for residential assets, aspects that encourage community and wellbeing score well. Some specific examples include the following:

- High quality end-of-trip facilities like a designated bike ramp away from cars and a hose to rinse any dirt.
- Excellent wayfinding features including sound loops, braille and clear signage.
- Social and community spaces, including workspaces, a gym, cinemas, a games room, and bookable kitchen and dining spaces for hosting.
- Creative plot use to encourage natural elements is particularly important in city centre assets, with the implementation of green roofs encouraged.

FIGURE 5 Sustainability Certifications for PRS Schemes



Source: CBRE

Case Study: OPUS, 6 Hanover Quay, Dublin 2



Project Overview:

Prime south docklands PRS scheme completed in 2019 comprising 120 units. Sold in 2023 for >€100m.

At the time of sale, the vendor sought to upgrade the sustainability features of the building and achieve a higher certification.

Certification was achieved in 2024, and it was Ireland's first BREEAM In-Use 'Excellent' residential building.

Scored well in terms of climate resilience due to planning requirements on flood risk in the south docks.

Case Study: Spencer Place, North Wall, Dublin 1



Project Overview:

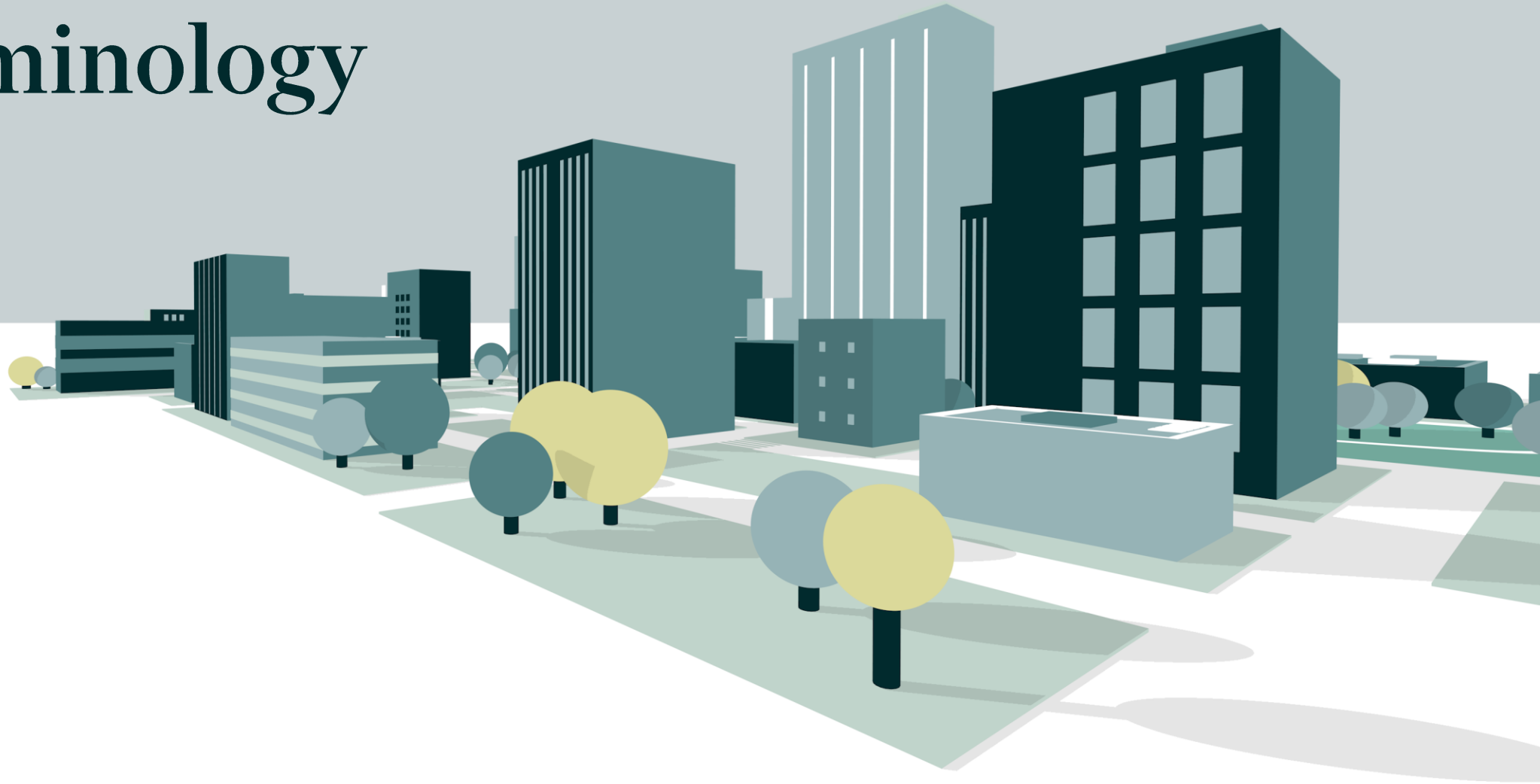
Prime north docklands PRS scheme currently on sale. Comprises 360 units, completed in 2022 by RGRE.

Original specification went above basic requirements, particularly relating to Part M of the building regulations.

Landlord recognised the value of enhanced certification and proceeded to upgrade features prior to sale.

Achieved the BREEAM In-Use 'Excellent' credential with a rating of 79%. The highest scoring BREEAM residential asset in the UK&I.

Terminology



Sustainability Acronyms Decoded

Net Zero-Energy Building (NZEB): A building that is designed to have very high energy performance, with the goal of minimising energy consumption. The small amount of energy they do require is largely generated from renewable sources either on-site or nearby. Since 2020, all new buildings in Ireland must be NZEB.

Leadership in Energy and Environmental Design (LEED): A sustainability rating system administered by the US Green Building Council

Building Research Establishment Environmental Assessment Method (BREEAM): A sustainability rating system administered by the Building Research Establishment in the UK.

Building Energy Rating (BER): An Irish Government mandated assessment of a building's energy and carbon performance.

Energy Performance of Buildings Directive (EPBD): A key piece of legislation aimed at improving the energy efficiency of buildings. It sets out the 2050 goal of a fully decarbonised building stock and mandates improvements in the energy performance of buildings. The directive also facilitates targeted financing to support investments in the building sector and fight energy poverty.

EU Taxonomy (EUT): This is a classification system established by the EU to define what economic activities are considered environmentally sustainable. The aim is to help direct investment towards activities that support the EU's climate goals and prevent greenwashing.

Corporate Sustainability Reporting Directive (CSRD): This is an EU directive that requires large companies to disclose detailed information on their ESG impacts. The aim is to increase transparency and help investors, consumers, and other stakeholders evaluate the sustainability performance of companies.

Sustainable Finance Disclosure Regulation (SFDR): An EU regulation aimed at increasing transparency in the financial markets regarding sustainability. It requires financial market participants to disclose how they integrate ESG factors into their investment decisions and advisory process. The key objectives are to prevent greenwashing, promote transparency, and support informed decision-making.

Global Real Estate Sustainability Benchmark (GRESB): An internationally recognised framework that assesses the ESG performance of real estate and infrastructure assets. GRESB provides data and benchmarks to help investors understand and improve the sustainability performance of their portfolios. The key aspects of GRESB are assessment-based solutions, benchmarking, and transparency.



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