



CAIRN

Better ways to build

Cairn Homes plc

2020 Preliminary Results Presentation

2020 Preliminary Results Presentation



Michael Stanley

Co-Founder & CEO



Shane Doherty

Chief Financial Officer



Declan Murray

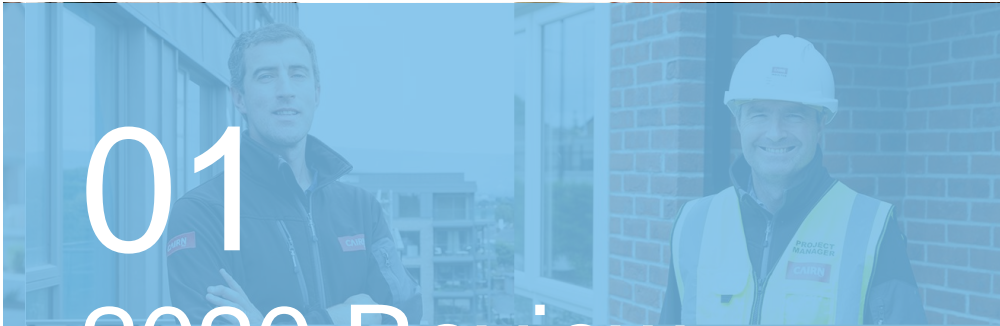
Head of Investor Relations

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01 2020 Review



CAIRN

2020 Operational Review

Health and Safety

Top Priority

Effectiveness of new Covid work practices resulted in minimal positive cases across our sites

Subcontractors and Supply Chain

56

Strong subcontractor NPS
Scalable and supportive subcontractor supply chain

Construction Sites and Productivity

19 active

Construction sites at year end

2,000

People in full-time employment across our sites

Commencements Supporting Growth

+10%

Annual increase in new home commencements, including 5 new sites
Industry commencements -18% (-25% in May-December 2020)

Current Closed and Forward Sales

925*

Net sales value €307m despite a virtual sales environment
Compared to 853 closed and forward sales on 2 March 2020

2020 Financial Review

Robust Sales Performance

743

Closed sales in FY 2020

536

Closed sales in H2 2020
(H2 2019: 690 closed sales)

Resilient Financial Performance

€262m

Revenue

€24m

Operating profit and an operating margin of **9.3%**

BCI and HPI in 2020

+3%

Build cost inflation

+1.4%

House price inflation

Asset Backed Balance Sheet

€1,019m

Total assets
(incl. **€968m** inventories)

20%

Total debt to Gross Asset Value

Continued WIP Investment

€73.3m

Net investment will support our 2,500 closed sales target for 2021 and 2022

Strong Liquidity

€175m

Available liquidity to fund further growth

€26.2m

Operating cash generated in H2

Positive Momentum Driving 2021 Market

Demand will continue to outstrip supply

+€14.2bn

Record increase in household savings in 2020
(€7.8bn increase in savings YoY)

+34%

FTB mortgage approvals increase YoY in Q4 2020



New home commencements:

-25% YoY in May-December 2020
(Cairn + 10%)

PRS market fundamentals remain compelling

+1.1%

Population growth in 2020 with 64% of net migrants aged between 25 and 44

+0.9%

Increase in rents nationally in 2020



Multifamily PRS transactions

€1bn in new builds in H2 2020. Irish PRS schemes under construction largely sold out

Cairn addressable market less impacted by pandemic

Brexit

Trade deal agreed reducing uncertainty

+3.6%

Increase in IDA employment in 2020 (now 22% of total direct and indirect employment)



2020 Exchequer Returns

Income tax receipts only down 1% YoY

Government promoting and supporting home ownership

Enhanced Help to Buy

Increased to 10% (from 5%) of purchase price and €30k (from €20k)

Shared equity loan

Initial funding €150m supporting up to 30% equity stakes in new homes

Affordable housing

c. 575,000 people in Ireland earning between €50k and €80k



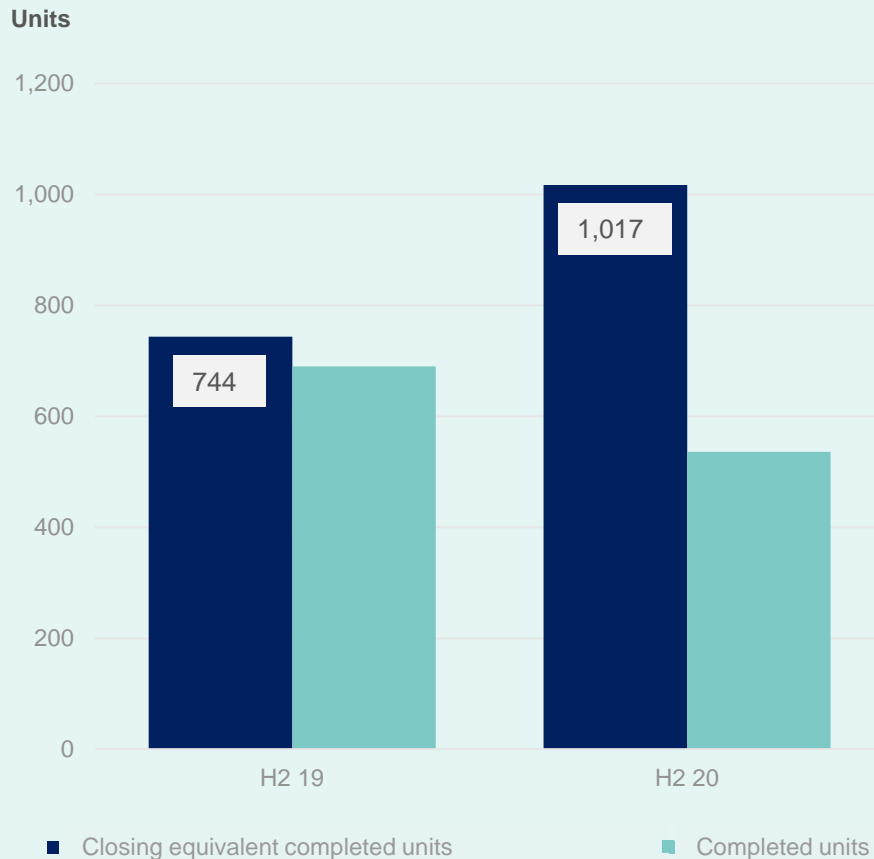
€5.2bn (+ 18%)

Record housing budget for 2021

Construction sites expected to reopen on 6 April 2021

Significant WIP Investment Supports our 2,500 Closed Sales Target for 2021 and 2022

Increased WIP investment in 2020



Ambitious Near Term Growth Plans

€277.8m
Closing WIP balance

€73.3m
Net WIP investment in 2020

€302m
Closed and forward order book fully covers WIP

7
New sites starting in 2021 (5 in 2020)

2,500
Closed sales in 2021 and 2022 with FPP for **92%** of these new homes

c. 18%
Gross margin in 2021 growing to **c. 19%** in 2022

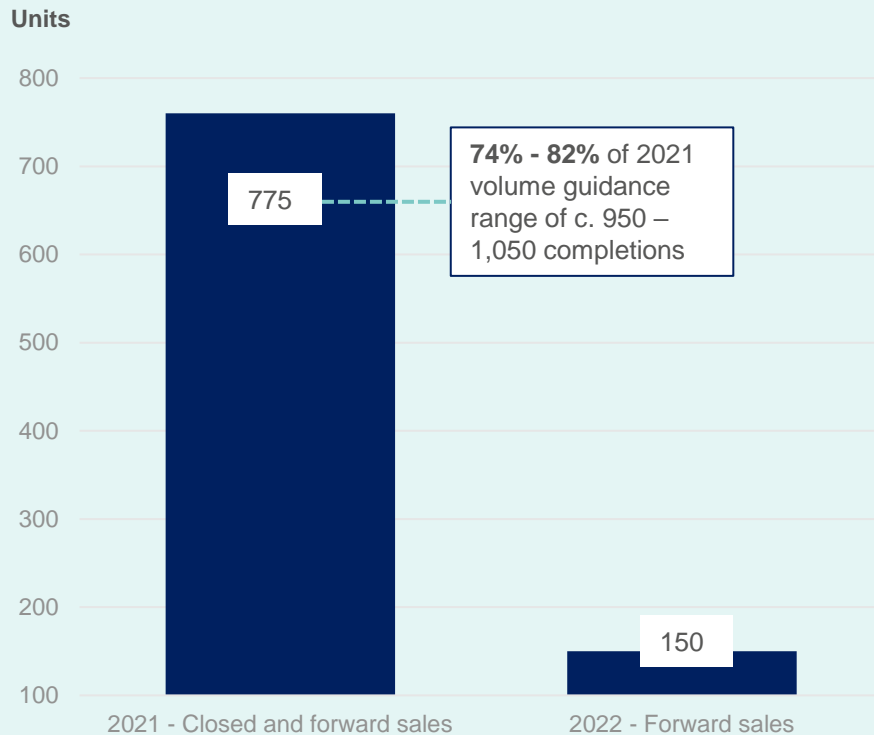
c. €120m
Operating profit in 2021 and 2022

c. €350 - €400m *
Free cash generation between 2021 and 2023

* This estimated free cash generation is before any capital allocation considerations, including reductions of current debt, future dividends or strategic land acquisitions

New starter home 2021 launch enquiry lists have doubled on 2020 levels

Order book underpins 2,500 closed sales target



Key Sales Stats

Virtual

H2 20 and current sales activities largely virtual or one to one appointments

54%

Increase in 2020 enquiry levels

15%

Increase in year-to-date 2021 enquiry levels

134%

Increase in VR views in January – February 2021

2.8x

H2 20 average weekly sales per starter home outlet

90,000+

Views of online sales brochures for our sites in 2020 (+40% on 2019)

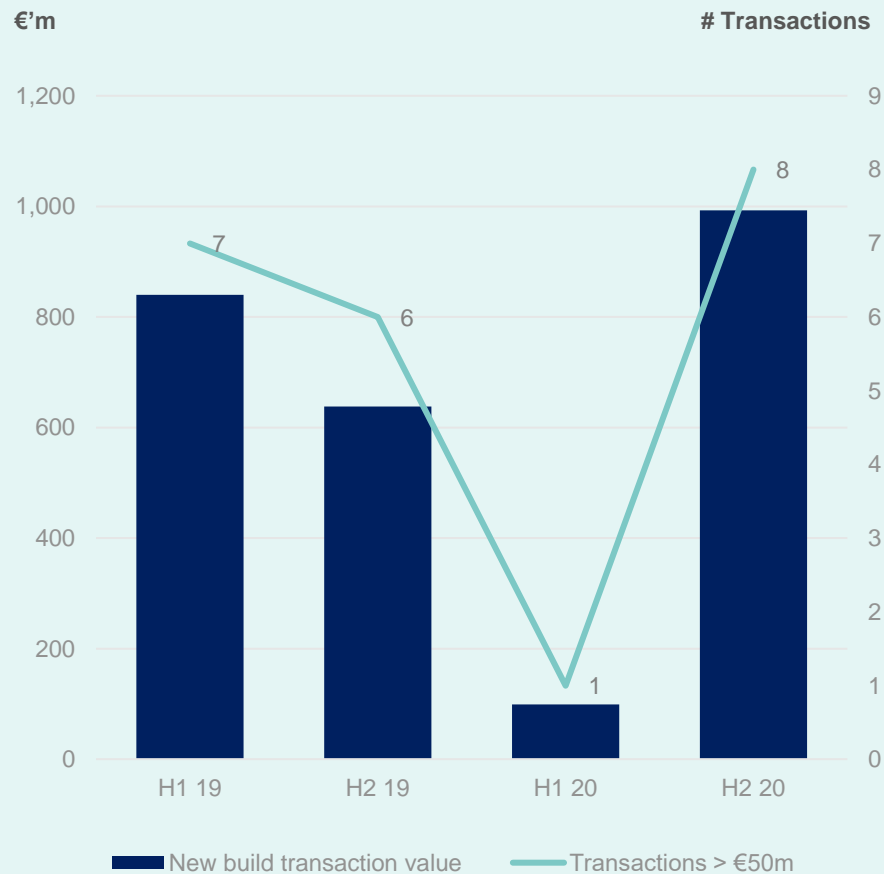
4,000+

Customers have chosen a Cairn home

Significant Increase in Enquiry Levels and Sales

Multifamily PRS Market Strengthening

Surge in transactions in H2 2020 post lockdown



Features of the 2020 PRS Market

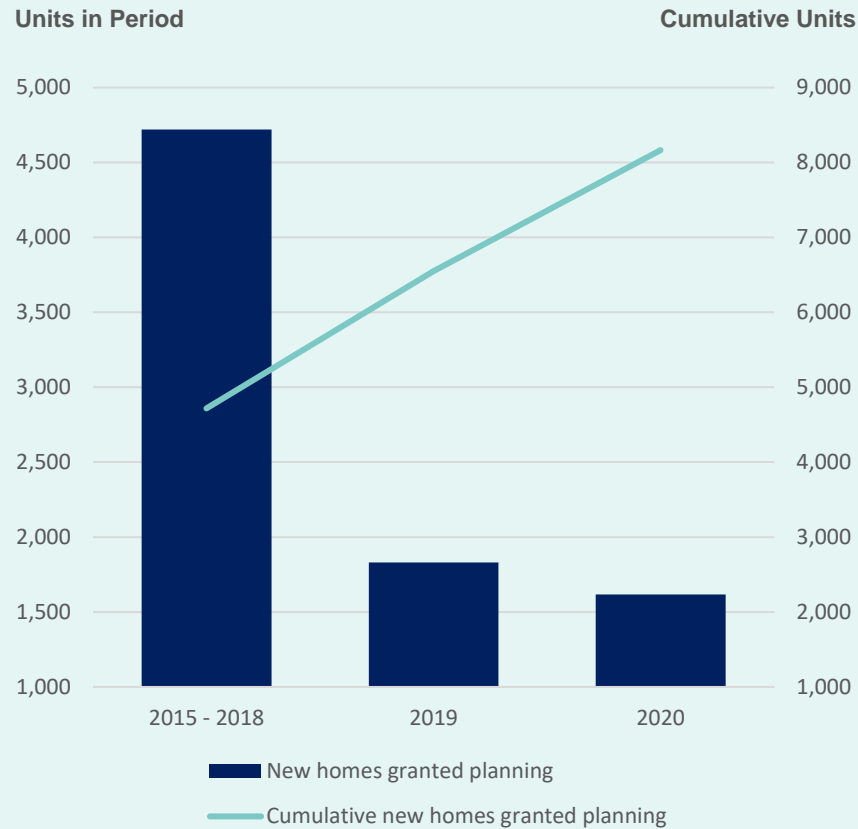
- Mid-market rents stable and occupancy c. 99%
- Prime yields hardened to c. 3.75% (UK prime yields – 3.25%, EU prime yields 3.1%)
- 48% of the Irish real estate investment market (33% in 2019)
- Multifamily PRS accounts for c. 5% of the Irish rental market

Opportunities in 2021 Market

- Current schemes under construction are largely sold out
- Cairn pipeline and strength as a counterparty remains very attractive

Planning Success Providing Future Optionality

Strong track record continued in 2020



Supporting Further Growth

11.5%

Land (at historic cost) as a percentage of current total landbank net development value (excl. HPI)

1,616

Units granted planning in 2020

8,200

Units granted planning since 2015

4,000

Incremental unit gains since IPO

100%

Of forecast 2021 sales completions have FPP

02

Financial Results
& Guidance

2,500 Closed Sales in 2021 and 2022 - KPIs

Sales Volumes	2021	2022	Total	2021 - 2022 Average	Estimated Gross Margin % *	2021	2022	2021 - 2022 Average
Range 1	950	1,550	2,500	1,250	Range 1	18.0%	19.0%	18.6%
Range 2	1,050	1,450			Range 2	18.0%	19.0%	

Estimated EBIT (€'m) *	2021	2022	Total	2021 - 2022 Average	Estimated EBIT % *	2021	2022	2021 - 2022 Average
Range 1	40	80	120	60	Range 1	11.0%	14.5%	12.9%
Range 2	45	75			Range 2	11.5%	14.0%	

* Excludes HPI and BCI

2020 Financial Performance

	December 2020 Unaudited	December 2019 Audited	Movement
	Total	Total	
	€m	€m	
Revenue	261.9	435.3	(39.8%)
Gross profit	42.7	85.3	(49.9%)
<i>% margin</i>	16.3%	19.6%	(3.3%)
Administrative expenses	(18.3)	(17.3)	5.8%
Operating profit	24.4	68.0	(64.1%)
<i>% margin</i>	9.3%	15.6%	(6.3%)
Profit before tax	14.8	58.6	(74.8%)
Profit for the year	12.7	51.2	(75.2%)
Basic earnings per share	1.7 cent	6.5 cent	(4.8 cent)
Net assets	750.6	763.7	
NAV per share	100 cents	97 cents	
Land at cost	690.3	692.8	

Revenue and Sales Performance KPIs

Average Selling Prices

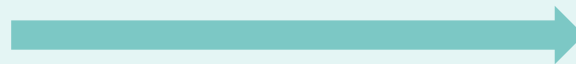
Sales	Units	ASPs €'k				Revenue
		Starter Homes	Trade Up/Down	Apartments	Overall	
2020	743	314	391	330	332	€246.9m
2019	1080	314	391	733	372	€401.8m
<i>Movement</i>	(31%)	-	-	(55%)	(11%)	(€154.9m)

Closed & Forward Sales Pipeline

	Units	Revenue
2021– closed and forward sales	775	€264m
2022 – forward sales	150	€43m
Total closed and forward sales pipeline	925	€307m

Positive Underlying Gross Margin Momentum

	2020 (A)	2021 (F)	2022 (F)
	%	%	%
Gross margin	16.3%	c. 18.0%	c. 19.0%
Covid-19 & related adjustments	1.7%	0.4%	0.1%
Adjusted gross margin	18.0%	c. 18.4%	c. 19.1%



Commentary

- Increased preliminary costs associated with extended construction programmes on sites arising due to Covid-19
- Second lockdown (sites in Ireland anticipated to reopen on 6 April 2021) would have been unforeseen at the start of the year
- Positive momentum emerging on gross margin (before HPI and BCI) notwithstanding the likely impact of significant pricing pressure on certain commodities including timber and steel

Balance Sheet at 31 December 2020

	December 2020 Unaudited	December 2019 Audited
	€m	€m
Non-current assets	2.7	3.7
Land held for development	690.3	692.8
Construction work in progress	277.8	204.5
Other receivables	13.4	12.4
Cash	34.5	56.8
Total assets	1,018.8	970.2
Other liabilities / payables	65.5	58.4
Net assets (excluding borrowings)	953.4	911.8
Loans and borrowings	(202.8)	(148.0)
Net Assets	750.6	763.7
Balance sheet KPIs		
Cash and cash equivalents	34.5	56.8
Net debt	(168.3)	(91.2)
Debt to GAV	20.2%	15.5%

Strong balance sheet underpinned by land at historic low cost and WIP investment in forward order book

Net Debt Bridge & c. €350 - €400m Three Year Free Cash Generation

	Dec-20	Dec-19	Movement
	€m	€m	€m
Net Debt	(168.3)	(91.2)	(77.1)
Key Movements			
EBITDA			24.9
Purchase of shares			(23.8)
Increase in land held for development			(2.4)
Increase in construction work in progress			(73.3)
	2020		
	€m		
H1 - Net cash used in operating activities	(66.8)		
H2 - Net cash from operating activities	26.2		
FY20 - Net cash used in operating activities	(40.6)		

Current Year Commentary

- WIP investment fully covered by closed and forward sales pipeline, and included funding five new site commencements in 2020
- Main investment in starter home segment and PRS
- Having navigated the disruption of H1, the business was cash generative in H2, notwithstanding the significant investment made in our future business

Current WIP Investment = Significant Future Cash Generation

- Cairn expects to generate c. €350 - €400m in free cash in the three years to 2023. This estimated free cash generation is before any capital allocation considerations, including reductions of current debt, future dividends or strategic land acquisitions. We estimate that free cash generation of c. €150m over the next 2 years, increasing to c. €350 - €400m over 3 years
- Significant uplift in 2023 following an extensive period of continued investment in our High Density portfolio, in particular over the next two years, as we grow our business and our annual sales run-rate in the medium-term

Continued WIP investment driving future growth and cash generation capability of the business

Cash Flow Statement for the Year Period Ended 31 December 2020

	December 2020 Unaudited	December 2019 Audited
	€m	€m
EBITDA	24.9	69.0
(Increase)/decrease in inventories	(70.2)	36.6
Other working capital movements	4.8	(6.4)
Net cash (used in) / from operating activities	(40.6)	99.2
Net cash from investing activities	(0.2)	(1.3)
Purchase of own shares	(23.8)	(22.2)
Proceeds from borrowings, net of debt issue costs	194.0	-
Repayment of loans	(140.0)	(50.0)
Dividends paid	-	(19.7)
Dividend paid to non-controlling shareholder	-	(1.9)
Acquisition of shares in subsidiary from non-controlling shareholder	(2.5)	-
Payment of lease liabilities	(0.3)	(0.3)
Interest and other finance costs paid	(9.0)	(9.1)
Net cash from financing activities	18.5	(103.3)
Net decrease in cash and cash equivalents in the year	(22.3)	(5.4)
Cash and cash equivalents at beginning of year	56.8	62.2
Cash and cash equivalents at the end of the period	34.5	56.8

Commentary

- **EBITDA of €24.9m** (2019: €69.0m)
- Net cash used in operating activities €40.6m, including **€26.2m cash generated in H2** (2019: €99.2m from operating activities)
- **€73.3m net investment in inventories** will service our growth ambitions into 2021 and is fully underpinned by contracted forward sale pipeline delivery. **Total spend on construction work in progress €249.0m** (2019: €288.7m) reflective of two-month site closures
- Net debt €168.3m (2019: €91.2m) after **€90m RCF repayment in H2**
- **Cash and cash equivalents of €34.5m** at 31 December 2020 (2019: €56.8m)

Guidance Recap

Two Year Closed Sales Target	2,500 closed sales by the end of 2022
Gross Margin	c. 18.0% in 2021 progressing to c. 19% in 2022
Operating Profit	c. €120m cumulative in 2021 and 2022
Cash Generation *	c. €150m by 2022, increasing to c. €350 - €400m by 2023
Shareholder Returns	The Board will consider the reinstatement of capital distributions later this year. Further details will be provided when we announce our 2021 interim results

* This estimated free cash generation is before any capital allocation considerations, including reductions of current debt, future dividends or strategic land acquisitions

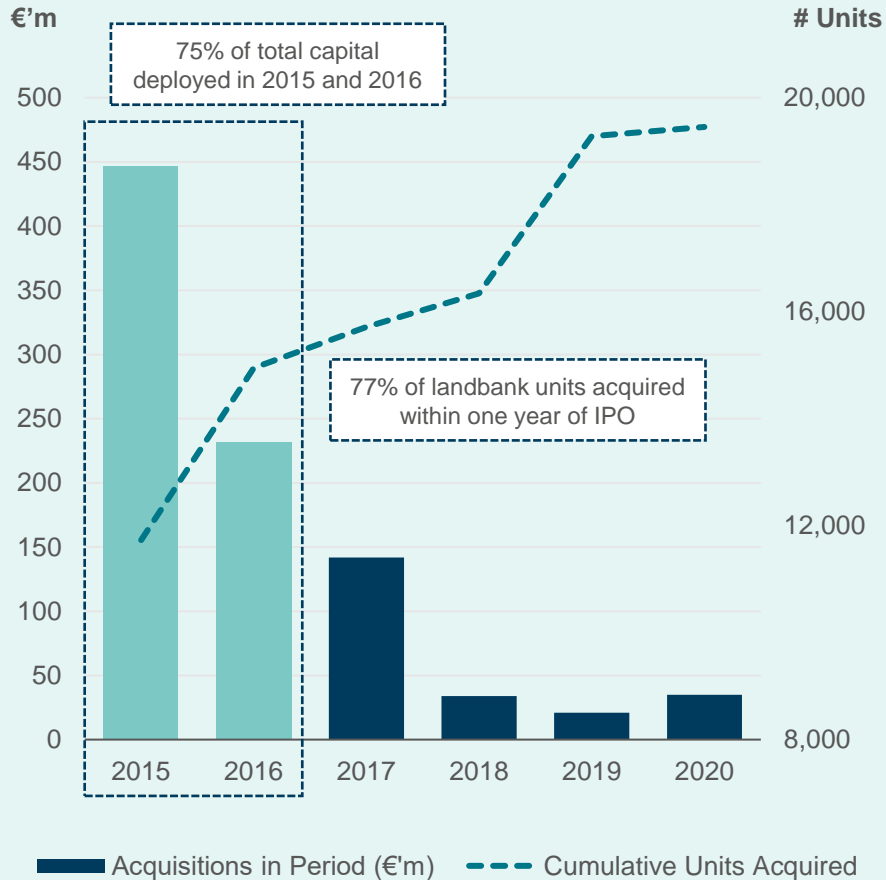
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Landbank & Market

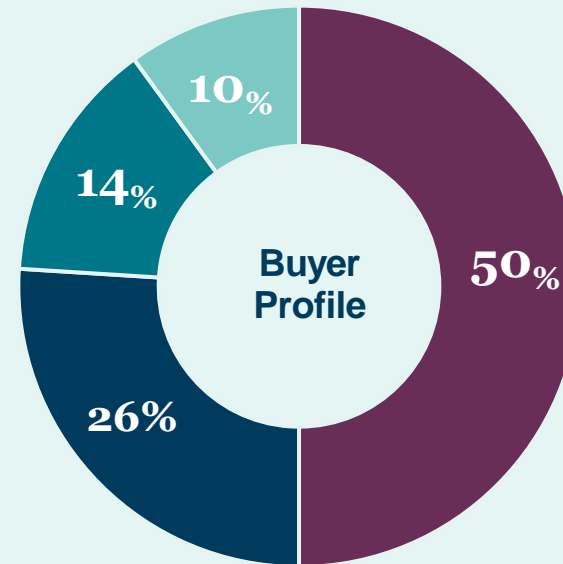


Low Cost Landbank Driving Future Growth, Profitability and Cash Generation

€911m investment in c. 16,800 unit landbank



Focused on core FTB market



- FTB (from €250k – €350k)
- Trade Up / Mover (from €350k – €550k)
- Premium (from €550k)
- Social

Characteristics of Housing and Apartments

Key Metrics and Characteristics *



Housing



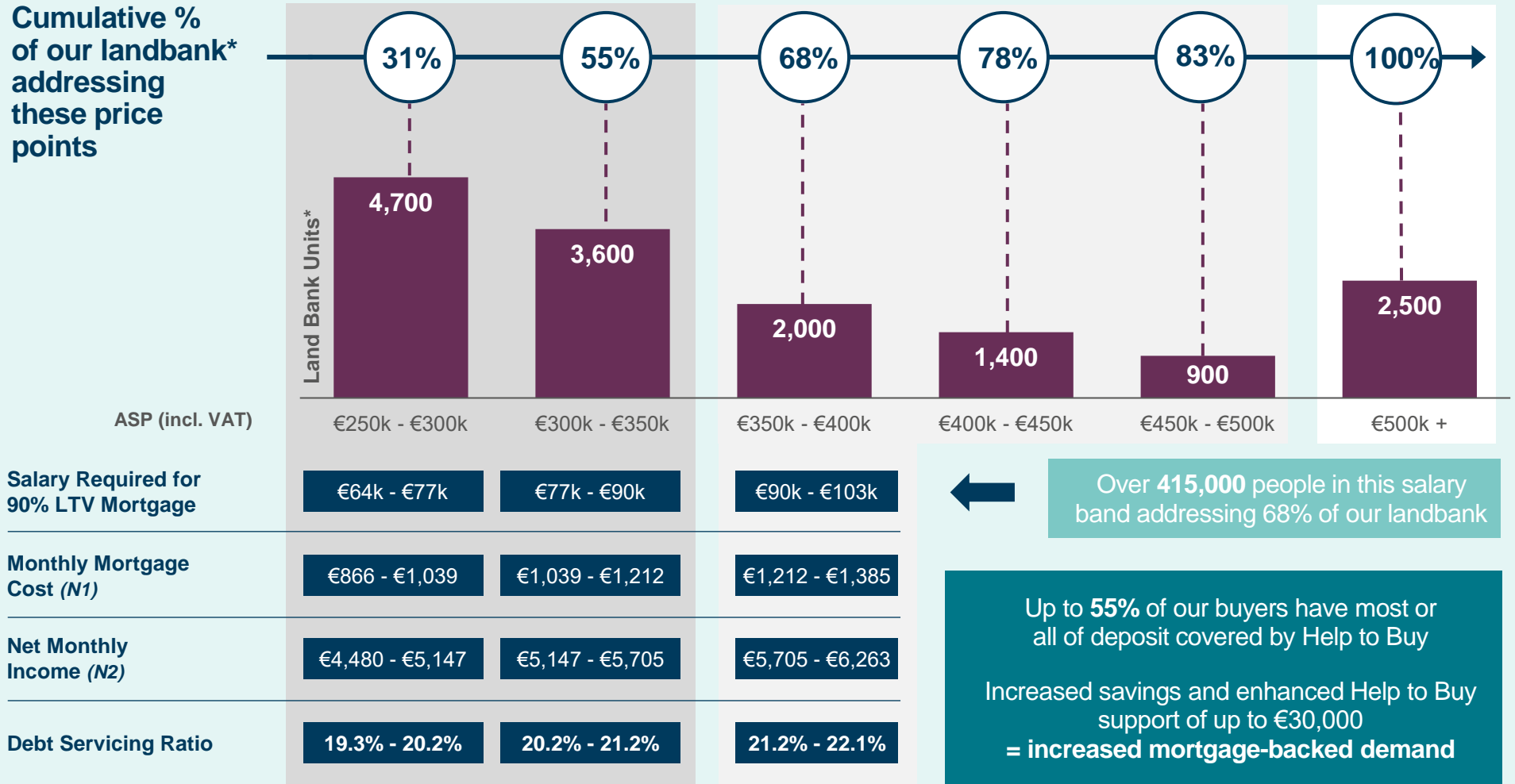
Apartments **

Total Land Bank

Capital Allocation	53%	47%	100%
Total Units	11,700	5,100	16,800
Average Site Cost per Unit	€32k	€63k	€41k
Average Selling Price (estimated) (ex. VAT) (no HPI)	€301k	€489k	€358k
Net Development Value ("NDV") (no HPI)	€3.5bn	€2.5bn	€6.0bn
Land (at historical cost) as a % of NDV	10.7%	12.9%	11.5%
Average Site Size (units)	550	310	
Typical Purchaser Income	c. €85k+ (single or joint)	€150k +	
Purchaser Profile	Mortgage Backed (incl. Help to Buy), Local Authorities, Investors, Multifamily PRS Investors	Mortgage Backed, Cash Purchasers, Institutional / Multifamily PRS Investors	

Land Bank Price Points

Cumulative %
of our landbank*
addressing
these price points



Owning versus Renting

Cairn 3 Bed Starter Home Private Sales in 2020

€373,000

Average selling price

(including VAT)
in 2020 across Cairn
developments in Dublin:

Shackleton Park & Gandon Park
(Lucan)

Edenbrook (Citywest)

Graydon (Newcastle)

Parkside (Malahide Road)

FTB Monthly Mortgage Cost

Purchase price **€373,000**

Mortgage - 90% LTV **€335,700**

Mortgage interest rate **2.30%**

Monthly Mortgage
Repayment **€1,292**
(30 year C&I)

Monthly Rental Cost

Daft.ie Market Rents

Three bed house
monthly rent:

Lucan €2,250

Citywest €2,375

Newcastle €2,000

Malahide Road €2,250

Average **€2,219**

€927 per month

Cheaper to own than rent a Cairn
starter home in Dublin

72% per month

More expensive to rent than own a Cairn
starter home in Dublin

58%

Of all houses in Ireland are rented by
people aged < 39

New Shared Equity Loan Scheme – A Positive Housing Initiative

New €150m shared equity loan scheme expected to start later in 2021 targeting the “squeezed middle”, those who earn too much to avail of social housing and cannot access mortgages.

The share equity loan will facilitate home ownership of A-rated new homes for a significant cohort who cannot presently access mortgages.

The table demonstrates these purchasers’ ability to service both the 70% LTV mortgage (with the benefit of 30% shared equity) and an increased mortgage (at maximum 90% LTV) at very acceptable debt servicing ratios.

Current purchasing power

Salary	€ 50,000	€ 60,000	€ 70,000
Maximum permitted mortgage (3.5x LTI)	€ 175,000	€ 210,000	€ 245,000
House purchase price (maximum permitted mortgage = 90% LTV)	€ 194,444	€ 233,333	€ 272,222
Debt servicing ratio (N1)	15.4%	15.9%	16.2%

Purchasing power with 30% shared equity

Salary	€ 50,000	€ 60,000	€ 70,000
Maximum permitted mortgage (3.5x LTI)	€ 175,000	€ 210,000	€ 245,000
House purchase price (maximum permitted mortgage = 70% LTV)	€ 250,000	€ 300,000	€ 350,000
Increased purchasing power	€ 55,556	€ 66,667	€ 77,778
Debt servicing ratio - 70% LTV mortgage	15.4%	15.9%	16.2%
Debt servicing ratio - 90% LTV mortgage	19.8%	20.4%	20.9%

Despite a high propensity for home ownership in Ireland, we are now ranked **21st** in the **EU 27** in this category due to the housing crisis – only **16%** of owner occupied houses in Ireland are owned by people aged **< 39**

04 Our Sustainability Agenda



Progress on our Sustainability Strategy Journey

2019

Transition from CSR to ESG Agenda

CSR to ESG

While retaining many of our existing activities, we recognised the need to employ a more robust and measurable reporting framework.

The pillars of community, people, environment and industry were examined, reinforced and redesigned.

2020

Definition, Scoping and Design of our Sustainability Strategy

Governance Sustainability Steering Group established, led by our Board Chair, and comprising an environmental, cross-functional group of leaders within the business, with dedicated working groups feeding into the Steering Group.

Materiality Assessment undertaken and completed to understand the most important ESG issues for Cairn and our stakeholders on our materiality matrix.

2021

Implementation and Disclosure of Strategy

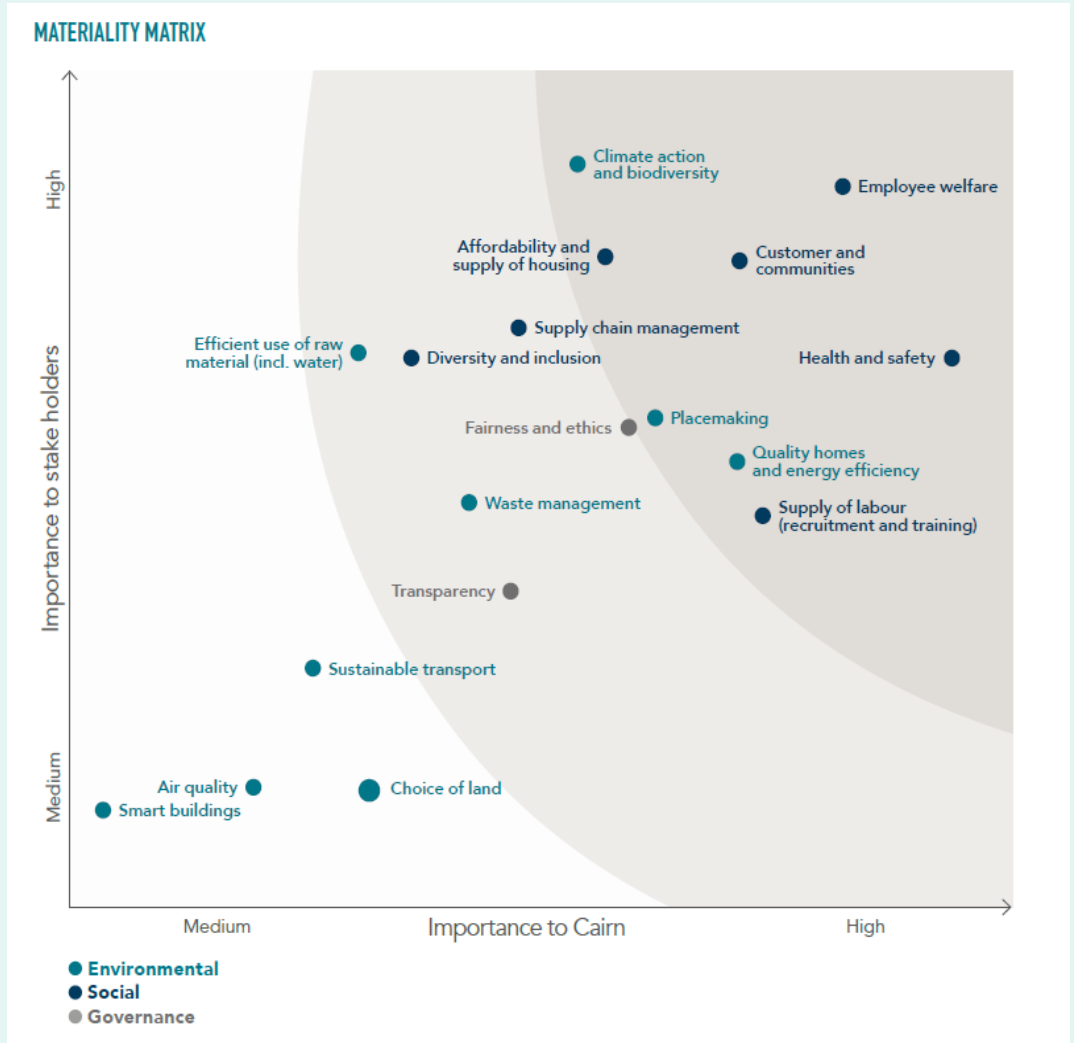
Align to a Framework for **disclosures**, **assess baselines** where needed, select appropriate **KPIs** under the Framework and set targets for our progress.

Engage with existing and new **partners** in finding better ways to build.

We are committed to transparent and open communication on our Sustainability Strategy

Materiality Assessment

Our key ESG priorities have been informed by our Materiality Assessment, letting us know what really matters to us and where we can make the most difference with our Sustainability Strategy.



2020 Sustainability Successes



London Stock Exchange Green Economy Mark

We received the London Stock Exchange Green Economy mark in recognition of our commitment to reducing our emissions and our impact on the environment

Health & Safety

92% average Health & Safety monthly independent audit score across all active developments with an additional challenge of working in a Covid-19 environment



100% A-Rated New Homes

743 completed sales of BER A-rated new homes, with 1,013 A-rated closing completed and units under construction at year-end

Electric Vehicle Policy

All new and replacement Cairn maintenance vehicles will be EV

FSC Timber Certification

It is now a requirement of our tender process and documentation that 100% of our timber products are sourced from certified renewable sources



Biodiversity – Tree Planting

We planted 6,823 trees across all of our developments (6 trees for every new home built or under construction). 80% of the trees we plant are Native and are of biodiversity benefit. Over 50 years these trees could sequester c. 2.800 tons of CO₂

CDP 2020

Participated in the Climate Disclosure Project 2020 on climate change and the environment

Prioritising People Through a Focused People Agenda

Our priority is understanding and improving the wellbeing of all of our employees, ensuring their health and safety at all times, both on site and whilst working from home



Connection

Employee
Engagement &
Support Initiatives



Consideration

Health,
Well Being &
Safety Initiatives



Commitment

Continued employment,
development and growth
of our Workforce

Accelerating Innovation through Partnerships in 2020

Operational Excellence

Use of leading edge technologies to control, monitor and manage our construction and sales activities



Prioritising People

Development of customised technologies and initiatives to keep our staff, supply chain and customers connected



Product Delivery

Improving the efficiency of product delivery through the use of innovative modern methods of construction and other initiatives



We establish long-term relationships with industry-leading partners

Bringing Partnerships To Life

Rapid Impact Compaction

In 2020, we became the first homebuilder in Ireland to utilise a new engineering solution “Rapid Impact Compaction”, a process of localised soil stabilisation which significantly reduces the scale of soil treatment on site and almost fully eliminates the export off-site of excavated soil and the import of quarried aggregates



At Archer’s Wood, Delgany:

- **7,000** HGV journeys to and from site carrying **120,000** tonnes of material would have been needed without this technology
- Significant reduction in Scope 2 carbon emissions
- No waste product generated

Light Gauge Steel (LGS)

A form of modular construction utilising light gauge steel to replace on-site construction techniques, LGS can be used in panelised form as a structural element (similar to timber frame) or assembled on site as a non-structural element. Particularly suited to smaller multi-unit residential blocks such as duplex units and smaller apartment blocks



- The environmental impacts of using steel are significant
- OSM methodology and replacement of concrete leads to less material waste
- Transfer of materials to site reduces traffic flows to and from the building sites, reducing Scope 2 carbon emissions

Neighbourhood Network

Network neighbourhood is an organisation that works to connect and help build communities and during the pandemic to reach out to those who still may be isolating, through fun and friendly socially distant activities



- Build more cohesive and resilient communities aligned to our Purpose
- Training of “community activists” and activities like street feasts and outdoor art exhibitions
- Formal assessments of community engagement levels to design relevant actions plans

05 Outlook



CAIRN

Outlook

Industry
supply
challenges

Sustained
demand across
broad buyer pool

All of this means

Peer leading outputs
across.....

- **c. €120m** cumulative operating profit in 2021 and 2022
- **c. €350-€400m** free cash generation by the end of 2023
- Unit delivery (**2,500** closed sales by 2022)

Regional expansion

Active on an average
of 20 sites in
2021 and 2022

2,500 closed sales
by 2022

c. 18% gross margin in
2021 and c. 19% in 2022

The Board will consider the reinstatement of capital distributions later this year.
Further details will be provided when we announce our 2021 interim results

We are a sustainable, efficient, industry leading homebuilder delivering attractive returns for our shareholders

06

Appendices



Our Purpose & Strategic Pillars

Better ways
to build

Our purpose

Building homes and creating places where people love to live.

Our purpose is what drives us - it's why we do what we do. It's why we strive to build the best homes possible. It's why we go the extra mile to ensure that the places we create are beautiful and enhance the quality of life of all that live there. And it's why we always put people first: because we believe that everyone deserves to love where they live, and we can make that happen.

Strategic pillars

People

Attract and retain the best people and external resources



Homes

Design and build high quality, sustainable and market appropriate homes



Customers

Deliver the best customer experience and gain their trust



Places

Create places for communities to prosper



Operational excellence

Create a commercial and profitable operating platform to turn land into great places to live



People

New Roles and Joiners

Gavin Whelan Head of Construction & Operations



Gavin joined Cairn in January 2021.

Previously Managing Director and founder of Bailey Brothers Construction Management Services. Over the last 13 years he has worked and led some of the largest and most complex projects in London across a broad range of sectors including Residential, Civil, Commercial and Healthcare. He has held senior roles in Skanska and Laing O'Rourke. Most notably Gavin acted as Construction Delivery Lead on the £1.7bn mixed use Battersea Power Station redevelopment.

Ger Hoare Head of Corporate Development (B2B)



Ger joined Cairn in June 2017.

Previously Group Pre-Construction Manager and also Delivery Lead for Cairns Student Accommodation portfolio.

Formerly worked with leading Main Contractors in the UK specialising in residential developments.

Niall Daly Head of Procurement



Niall joined Cairn in March 2021.

Previously Head of Procurement at Amazon, forging strategic supply partnerships in high-growth market sectors. His previous roles include Global Procurement Director with Kerry Group and European Strategic Sourcing Director with Kellogg's.

Has led numerous transformation initiatives on a global basis and has over two decades experience from multiple Procurement and Supply Chain positions held in leading global organisations.

Sinead Geoghegan Head of Strategic Finance & Transaction Services



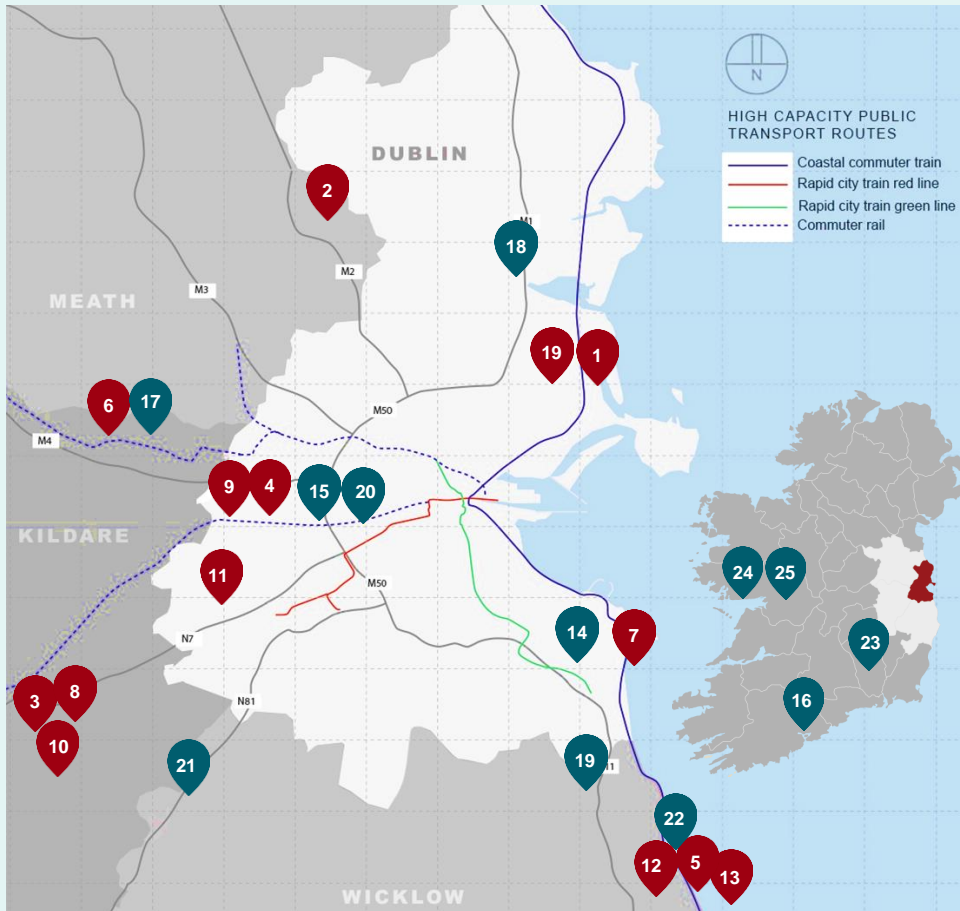
Sinead joined Cairn in June 2018.

Previously Group Financial Controller.

Formerly Head of Finance at ByrneWallace Solicitors, with over 20 years of executive level financial and transactions experience across a number of senior finance roles having qualified with PwC.

Well Located Housing Sites

11,700 new homes all on multi-modal transport links in areas of proven demand



Active

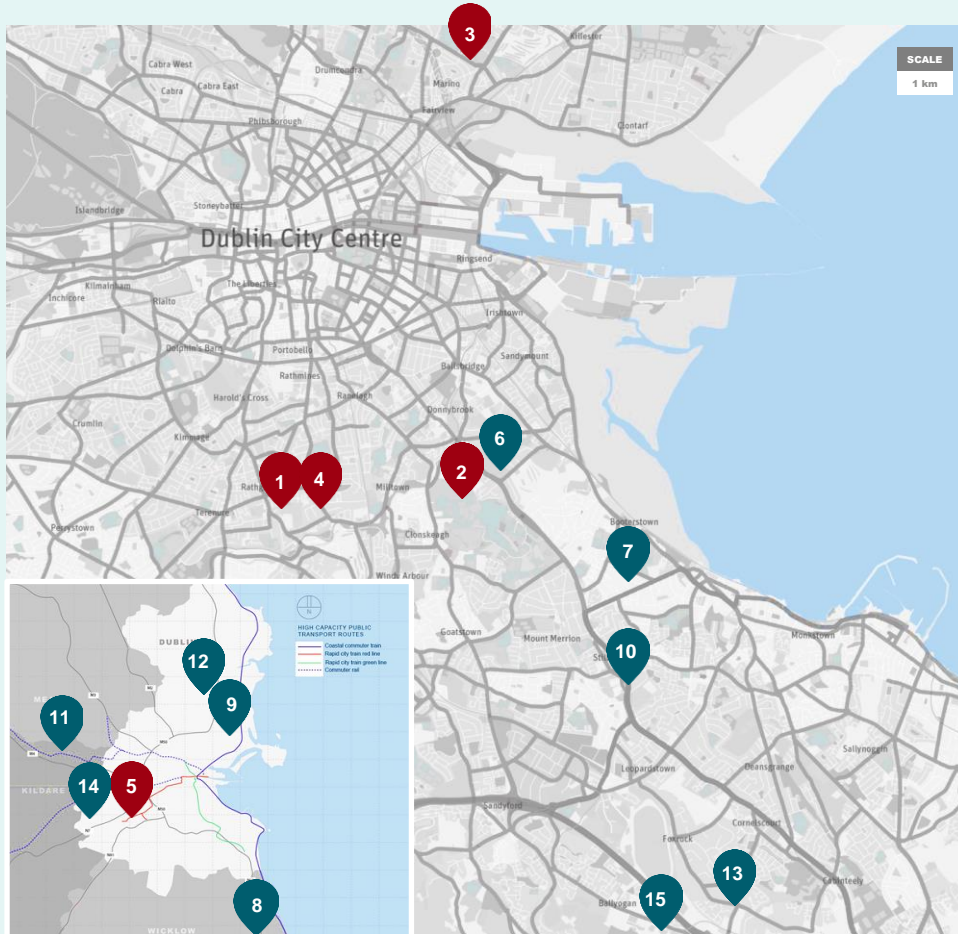
		Units
1	Parkside, Malahide Road	491
2	Churchfields, Ashbourne, Co. Meath	397
3	Elsmore, Naas, Co. Kildare	189
4	Shackleton Park, Lucan	778
5	Glenheron, Greystones, Co. Wicklow	242
6	Mariavilla, Maynooth, Co. Kildare	730
7	Albany, Killiney	20
8	Oak Park, Naas, Co. Kildare	248
9	Gandon Park, Lucan	237
10	Whitethorn Village, Naas	314
11	Graydon, Newcastle	643
12	Archers Wood, Delgany	426
13	Hawkins Wood, Greystones	184

Future

14	Mercer Value, South Co. Dublin
15	Clonburris, Dublin 22
16	Douglas, Cork
17	Dunboyne Road, Maynooth
18	Holybanks, Swords, Co. Dublin
19	Enniskerry, Co. Wicklow
20	Clonburris (NAMA / O'Callaghan Lands)
21	Blessington, Co. Wicklow
22	Coolagad, Greystones, Co. Wicklow
23	Callan Road, Kilkenny
24	Rahoon, Galway
25	Ballymoneen Road, Galway

Prime Apartment Sites

5,100 homes in prime city centre and established suburban and commuter belt locations



Active	PRS Opportunity	Units
1		208
2		85
3	✓	385
4	✓	108
5	✓	314

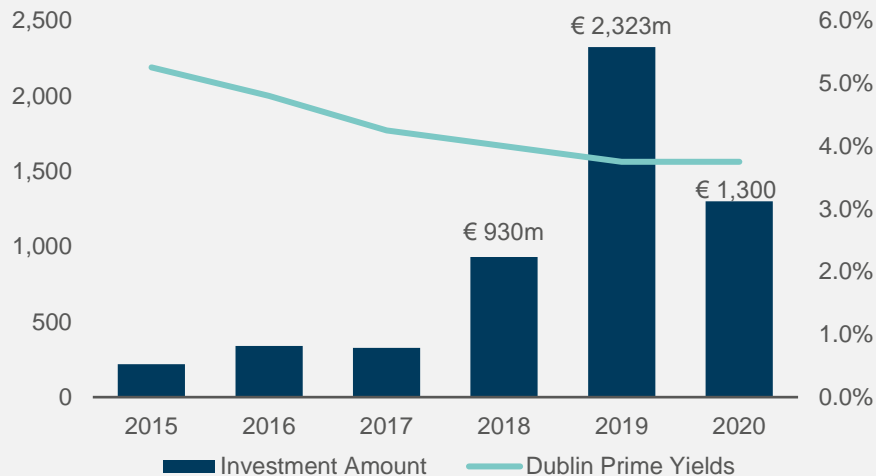
Future	PRS Opportunity	Units
6		
7	✓	
8	✓	
9	✓	
10	✓	
11	✓	
12	✓	
13	✓	
14	✓	
15	✓	

The Irish Multifamily PRS Market – 2020

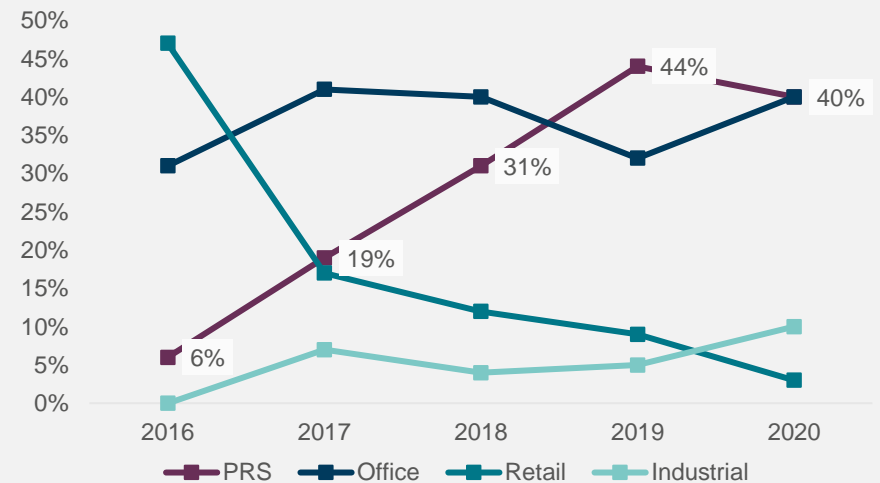
2020 PRS Market Resilience

- **€1.1bn new build PRS market in 2020.** Strong rebound in H2 2020 at €992m following the pandemic-affected H1'20 < €100m traded.
- Average investment size for the top 5 Dublin new build PRS investments increased from **€119m** in 2019 to **€136m** in 2020.
- Increasing dominance in the Irish real estate investment market - 48% of total investment in 2020 (2019: 33%, CBRE).
- Prime yields at 3.75% in 2020. Rents resilient at +0.9% nationally. Mid-market has been increasingly robust with stable market rents and strong occupancy (~99%).
- Inward migration +29k year to April with 74% of all 2020 immigrants having a third level qualification (65% average over the past 5 years).

PRS Market: New and Standing Stock Transactions



Dublin Investment Market: PRS Share of Total



2020 Multifamily PRS Transactions – New Builds

2020 New Build Transactions over €50m

# Property	No. of Units	Buyer	Status	Reported Price (€m)
1 Cedarview, Santry Demesne, Dublin 9	138	Private	Complete	€58.9
2 Prestige Portfolio	317	International institutional investor	Complete	€145.0
3 Cheevers Court & Haliday House, Cualanor, Dun Laoghaire	368	International institutional investor	Complete	€195.0
4 Phase 1C, Clay Farm, Leopardstown, Dublin 18	192	Domestic institutional investor	Complete	€75.0
5 Off-Market Portfolio - Dublin	300	Private	Complete	€140.0
6 Blackwood Square, Northwood, Santry, Dublin 9	297	International institutional investor	Complete	€123.5
7 Harbour Road, Dalkey, Dublin	94	Domestic institutional investor	Complete	€51.3
8 Phoenix Park Racecourse	146	REIT	Complete	€60.0
9 Marina Village, Greystones	134	International institutional investor	Complete	€64.5
Total	1,986			€913.1

Value of 2020 Multifamily PRS Transactions
(€1.1bn New Build & €0.2bn Existing Stock)

€1.3bn

48% of real estate investment
in Ireland in 2020 was Multifamily PRS
(33% in 2019)

3.75%
PRS prime yields in 2020

Demand Drivers

Government Supporting Home Ownership

Help to Buy

Tax rebate to First Time Buyers of new homes priced up to €500,000.

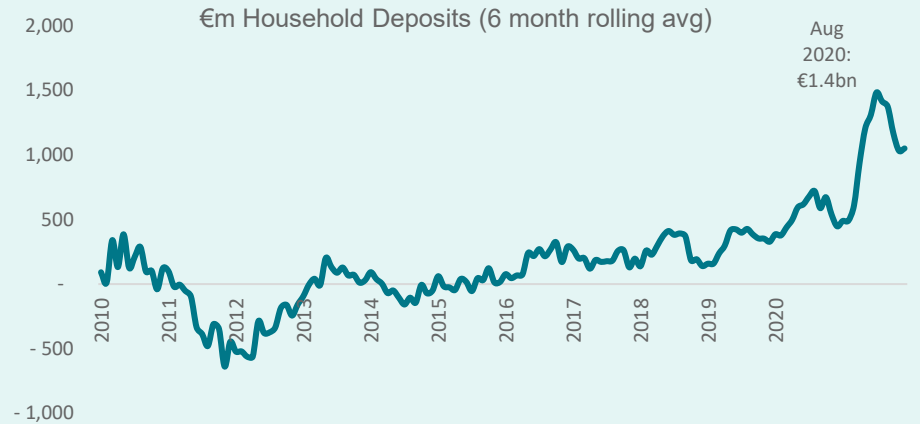
Enhanced in 2020 to increase the amounts available; lower of 10% (previously 5%) of the purchase price of a new home or €30,000 (previously €20,000).

New Equity Loan Scheme

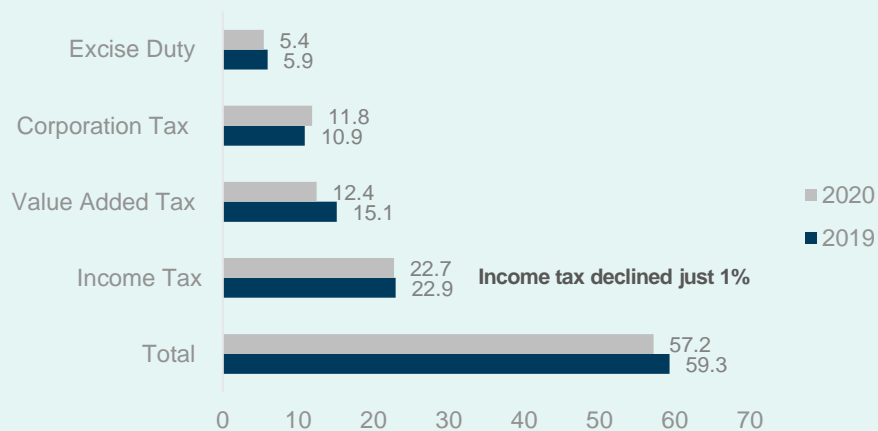
Expected to be available from mid-2021; similar scheme to that in place in the UK.

Up to 30% equity stakes, new homes only (likely that second time buyers will be included), with no arbitrary salary caps.

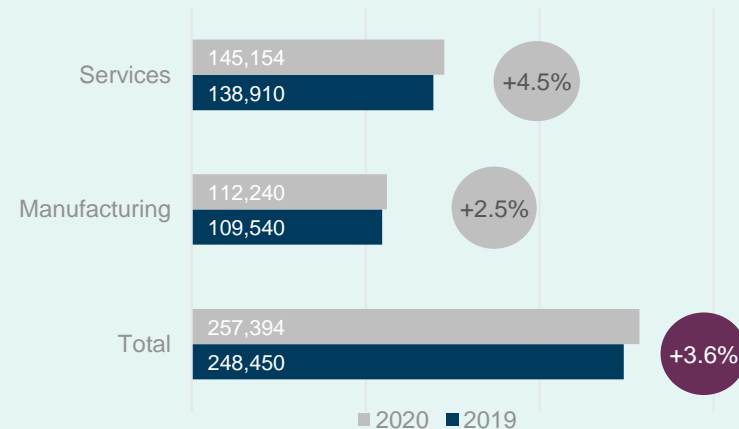
Record Breaking Household Savings



2020 Exchequer Receipts



2020 FDI Employment Growth

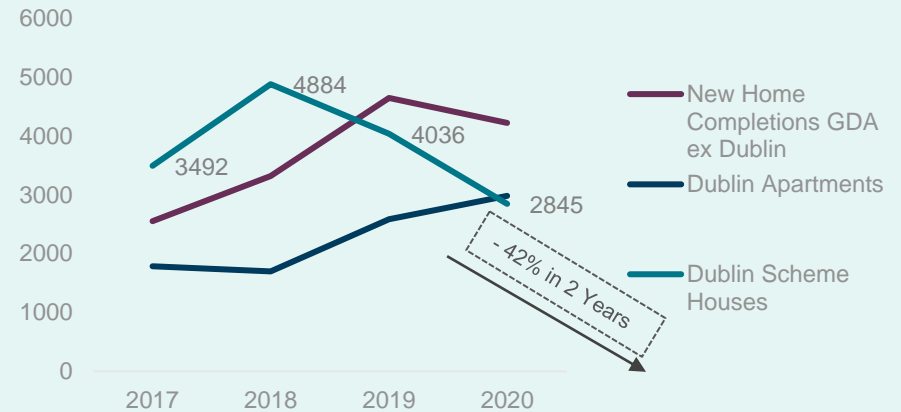


Dublin New Homes Supply Down 12.2% in 2020

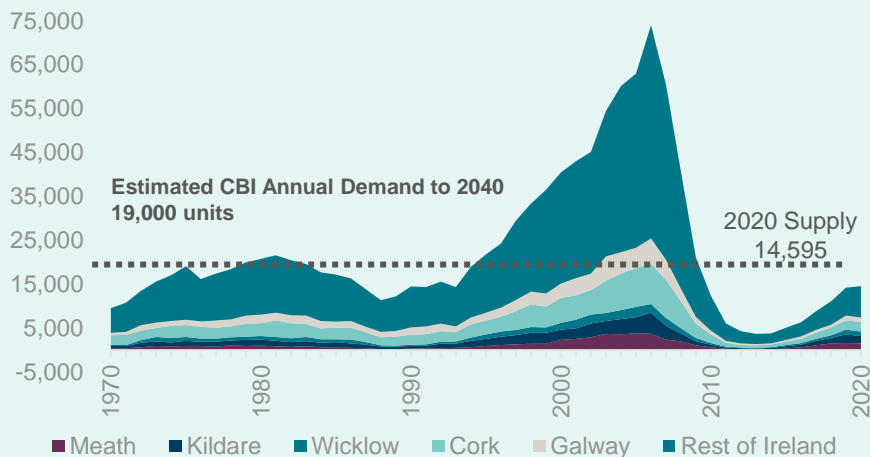
Supply 2020

- 2020 supply: 20,676 completions – a 1.9% decrease on 2020. **Dublin 6,081 (-12.2%)** and Rest of Ireland 14,595 (+3%).
- 7,861 (38%) of multi-unit development new home completions for the private owner occupier market after one-off homes, Part V, local authority purchases and PRS purchasers.
- Only c. 2,100 new homes in Dublin for owner occupiers.
- Apartment completions 4,014 (+ 14.4%) **with Dublin at 2,985 (+13.9%)**.
- Multi-unit development housing completions 11,725 (-6.3%) **with Dublin at 2,845 (-29.5%)**.
- GDA (including Dublin) completions 10,302 (-10.9%).

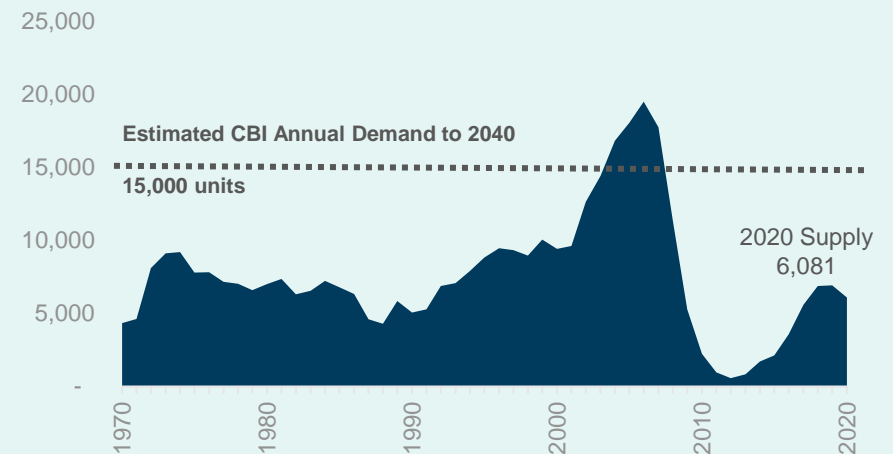
Significant decline in Dublin Multi-unit scheme completions



Rest of Ireland



Dublin

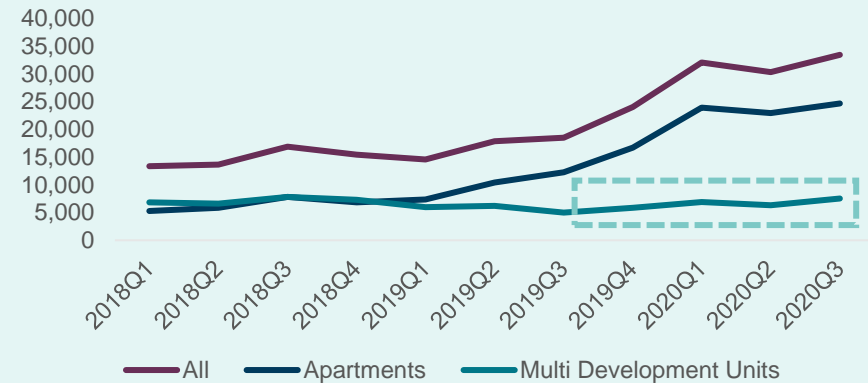


Housing Undersupply to Continue

Commencements the lead indicator for future supply

- Apartment and multi-unit development new home commencements **down 18.3% nationally in 2020** at 17,271. Dublin down 4.7% and the GDA (incl. Dublin) down 14.1%.
- Commencements for multi-unit schemes in the Greater Dublin Area **declined 32% yoy for May to December**.
- Planning grants favour apartments (75% of GDA planning grants), but not converting to commencements due to developer funding challenges and required for forward sale/funding.
- Under-supply of houses in the GDA is set to continue with apartment planning grants increasing 101% in the year to Q3'20 while grants for multi-unit housing units increased 51% from a much lower base.
- Only **2,273** units were granted permission in Dublin in 2020 for houses in multi unit developments.

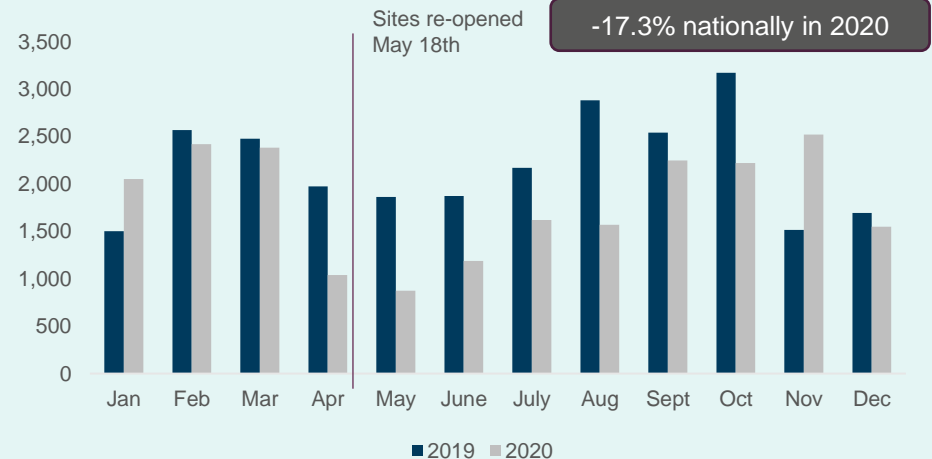
GDA (incl Dublin) Planning Grants – 12m rolling



Less than half of new homes come to private market

	2019		2020	
	Units	%	Units	%
CSO New Home Completions	21,133	100%	20,676	100%
Less: One-Off New Homes	(5,067)	24%	(4,937)	-24%
New Homes - Multi Unit Developments	16,066	76%	15,739	76%
Part V Social Housing (10%)	(1,326)	6%	(1,574)	8%
Local Authority / AHB Purchases (Addnl Social Housing)	(4,445)	21%	(4,355)	21%
Less: Acquired by Institutions / PRS	(2,909)	14%	(3,050)	15%
New Homes Available to Owner Occupiers	7,386	35%	6,761	33%

Significant decline in commencements



Mortgage Market Conditions

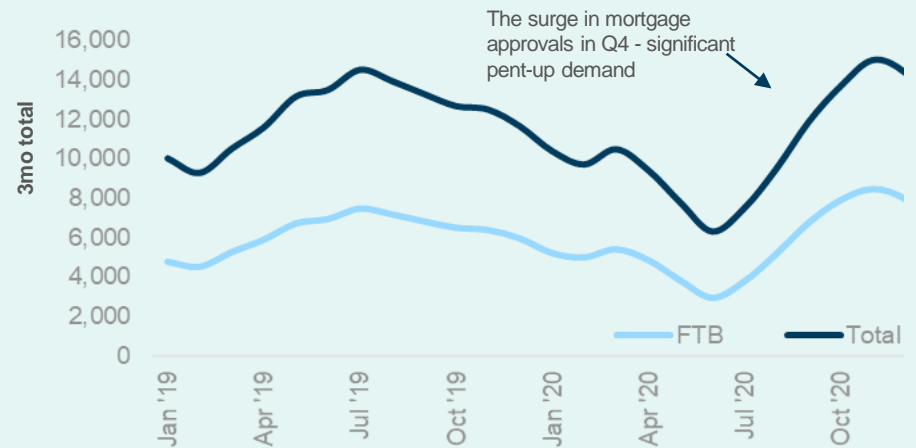
Q4 2020 – rebound in Approvals

- FTB mortgage approval volumes **+34%** YoY, including a record 3,041 approvals in October which was the highest since BPF records started in 2011.

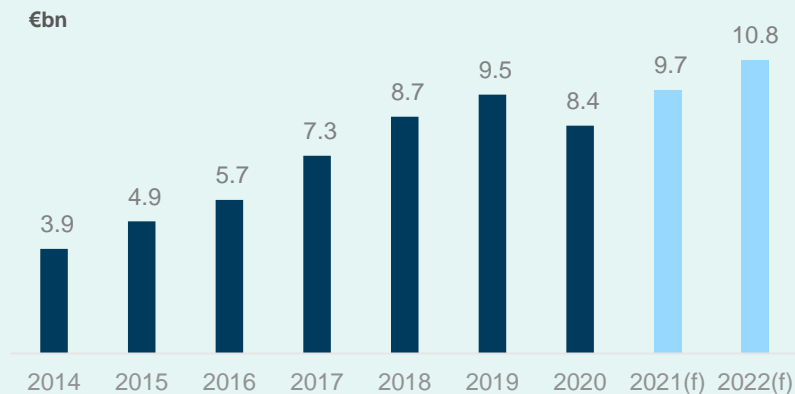
Full Year 2020

- 23,000+ mortgages approved for FTBs in 2020 at an average value of €243,000 (2019: 25,067 at an average value of €231,000).
- 6,350 mortgages were drawn down for **FTBs for new homes** in 2020 (2019: 7,063). Average New Homes FTB mortgage drawn down was €274,646 (2019: €261,787).
- Competition amongst mortgage providers is targeted at fixed rate customers – fixed rates as low as 2.2% are now available.

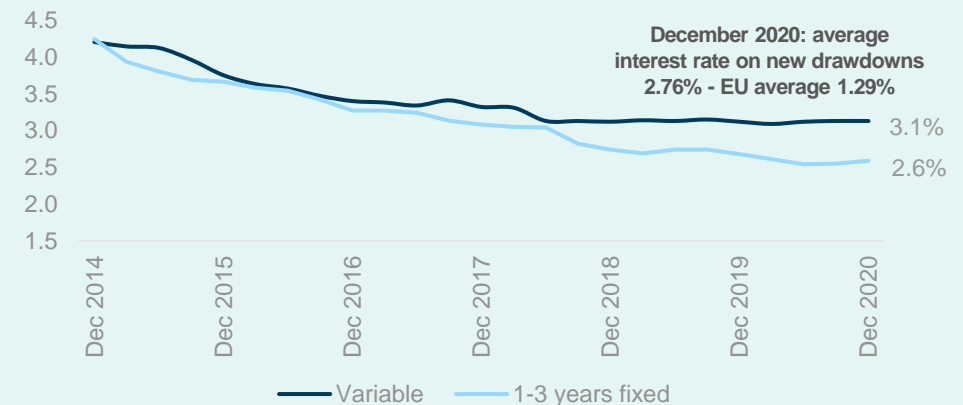
Strength of Q4 2020 Approvals continues in early 2021



Mortgage market to grow by over 10% in 2021 and 2022



Mortgage rates falling, but still high from an EU perspective

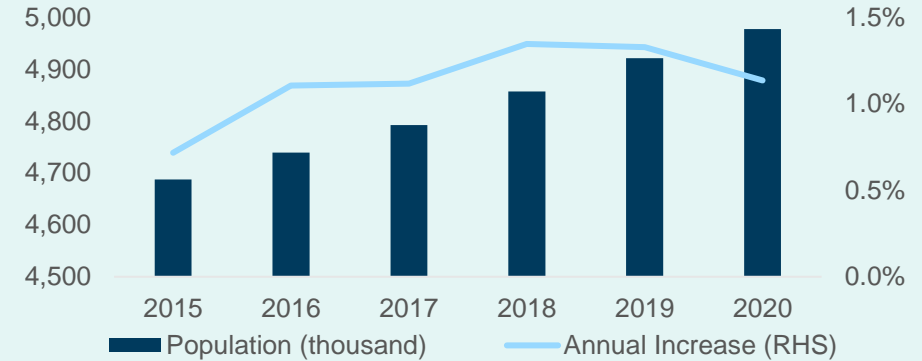


Demographics Support Demand

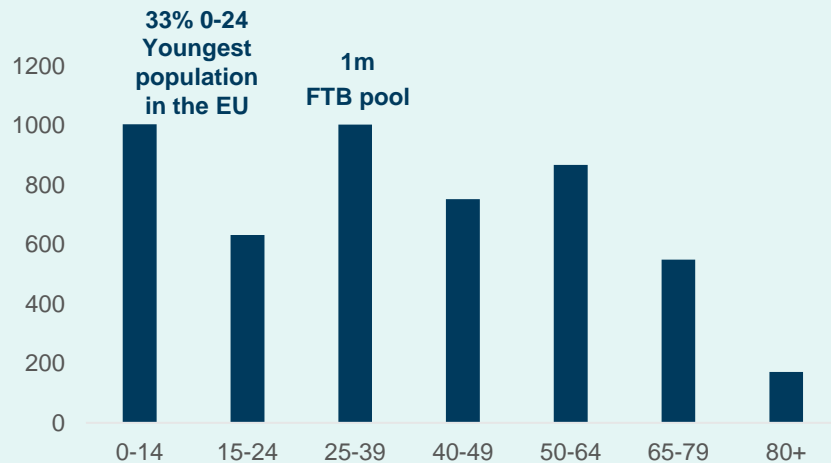
Strong population growth

- Highest birth rate in Europe (12.1 births for every 1,000 of population) with population growth at **3x EU average**.
- High household formation sizes (2.6 compared to 2.3 EU average).
- Net inward migration of 29k in the year to April 2020.
- Population estimated to have reached 5m during 2020 (4.98m in April 2020).
- Population of Dublin and the GDA is currently 2.15m and forecast to grow to 2.58m by 2040.
- National population forecast to grow to c. 5.6m by 2040, leading to a high international migration forecast of average demand of 34,000 new homes per annum over the medium term.

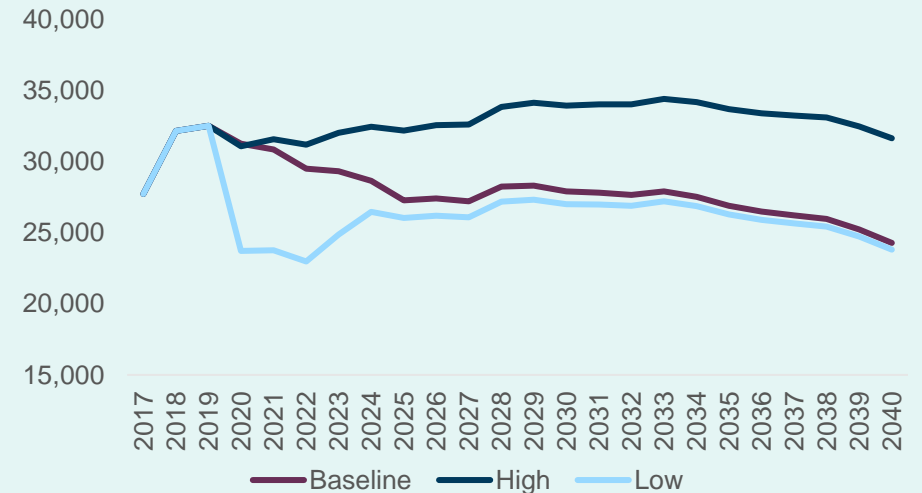
Average 1.1% annual population growth since 2015



Irish population by age category



ESRI housing demand forecast



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