

The Irish Independent recently reported that US hedge fund founder David Grin is set to earmark €150 million for investment in Dublin housing sites. The financing initiative is part of Mr. Grin's newest Irish venture, Cara Infinity Investments. This investment drive is currently in the early stages of seeking interested institutional investors with the goal of funding several shovel-ready sites in Dublin. Shovel-ready refers to sites that have already secured required legal and environmental clearances, have built infrastructure in place, and all [investment](#) initial planning has been completed so that a site is ready for the immediate start of construction. Mr. Grin's funding campaign comes at an opportune time for investors, as the Independent reported in a separate publication that construction activity in the country has reached a seven-month high in February 2019.

Investment Seeks to Alleviate Short-Term Supply Deficit

The funding campaign will target development sites that have already secured full planning permission of up to 2,000 units throughout the Greater Dublin Area. The investment firm will pursue projects that are scheduled to be completed within 12-24 months, providing a quick turnaround for investors and a path towards short term relief in the current housing crisis. The Independent reports that Mr. Grin anticipates that finished units can be sold for a minimum of €400,000 each, which is just above the €370,472 average home price in Dublin as detailed in the latest Daft.ie 2018 quarterly house price report. This average price is up €150,000 from 2012, when the lowest home prices were recorded during the recession.

The country continues to experience a housing shortage, which is expected to be exacerbated by anticipated population growth in the next decade. This disparity between growing demand and lagging supply has contributed to rising home prices in the capital and other urban areas. The housing shortage has provided numerous financial investment opportunities in the Irish property market, spurring a flurry of foreign direct investment (FDI). This infusion of capital has been welcomed by the government and has provided a much-needed boost to the domestic industry. Investment sources have primarily come from the United States, Asia and the Middle East. Foreign investment is likely to grow with continued strong consumer confidence in the market and with Ireland representing a viable investment alternative to a post-Brexit UK.

Mr. Grin told the Independent, "The new homes market in Ireland continues to perform strongly, and there remains a significant unsatisfied demand for housing. There is excellent potential here to invest in sites with full planning permission and secured services, that have the capacity to be built out in the short term and [David Grin](#) that can go some way to satisfying the current under-supply."

Irish Property Market Experiencing Growing Pains

With a favorable economic environment, the Irish market has experienced rapid growth since recovering from the housing recession. The initial response from developers, investors and home-builders to the expanding market has been somewhat delayed due to the slower pace of homebuilding accomplished during the recession, however, that trend appears to be rebounding with a total of 18,000 new homes built in 2018, up from 15,000 recorded during the previous year.

Market forecasts show the anticipated housing supply to continue to increase in the next couple of years with more new homes expecting to be built. At the moment, there are several projects in the planning, development and construction stage in the Greater Dublin Area that will contribute to this growth in supply. Demographic shifts and changes in buying trends will also be important factors for stakeholders to consider in the future of the residential and commercial property market in Ireland.

Current public planning and development policy has laid the groundwork for a sustainable growth strategy to home building throughout the urban landscape of Ireland. The Project Ireland 2040 government initiative, the National Planning Framework, and the National Development Plan have all advocated for compact urban growth with requirements like increased minimum building heights to six stories and eliminating maximum heights for

new high-rise developments. Industry innovation and a willingness to go beyond the traditional funding models and construction methods will be necessary in order to accommodate the changing demands of the market.

Investment Capital in High Demand

For David Grin, Cara Infinity is not the first investment venture he has established in Ireland. Grin is also the chairman of private equity firm Lotus Investment Group, which boasts an impressive catalogue of investments with over 190 loans granted, over €318 million funds allocated and over 2,800 homes built. Lotus Investments entered the Irish market in 2013 and has since become an attractive lender for developers seeking alternative funding options. They specialize in small and medium property assets with funding goals from €500,000 to €10 million. Lotus funded projects can be found throughout Dublin, Leinster, Munster and Connaught. Lotus Investment Group has used its record of successful investments and growing reputation to become an industry leader in property funding.

It is important to note that the Cara Infinity Investment initiative is a separate project and is not related to the work that is done at Lotus Investment Group. The new investment effort is concentrated on raising funds with the goal of investing in build ready sites, while Lotus considers each investment application on a one by one basis and provides working capital loans for developers, acquisition loans for property buyers and loans for real [Grin-David](#) estate portfolio purchasers from banks and receivers.

The €150 million investment proposed by David Grin's Cara Infinity Investments and those like it will be an essential infusion of capital <https://www.equities.com/news/the-independent-reports-a-funding-initiative-by-us-investor-david-grin-to-inject-150m-into-build-ready-properties-in-dublin> for developers and home-builders in the Irish property market going [hedgemaven.maven-data.com/news/hedge-fund/us-hedge-fund-founder-david-grin-is-raising-150m-for-dublin-housing-sites-independentie](https://www.hedgemaven.com/news/hedge-fund/us-hedge-fund-founder-david-grin-is-raising-150m-for-dublin-housing-sites-independentie)

forward. Continued strong demand for funding in all aspects of the commercial and residential property sector will likely provide ample investment opportunities across the market for the foreseeable future.

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