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An Introduction to Commercial Office Markets (Dublin) Property Webinar

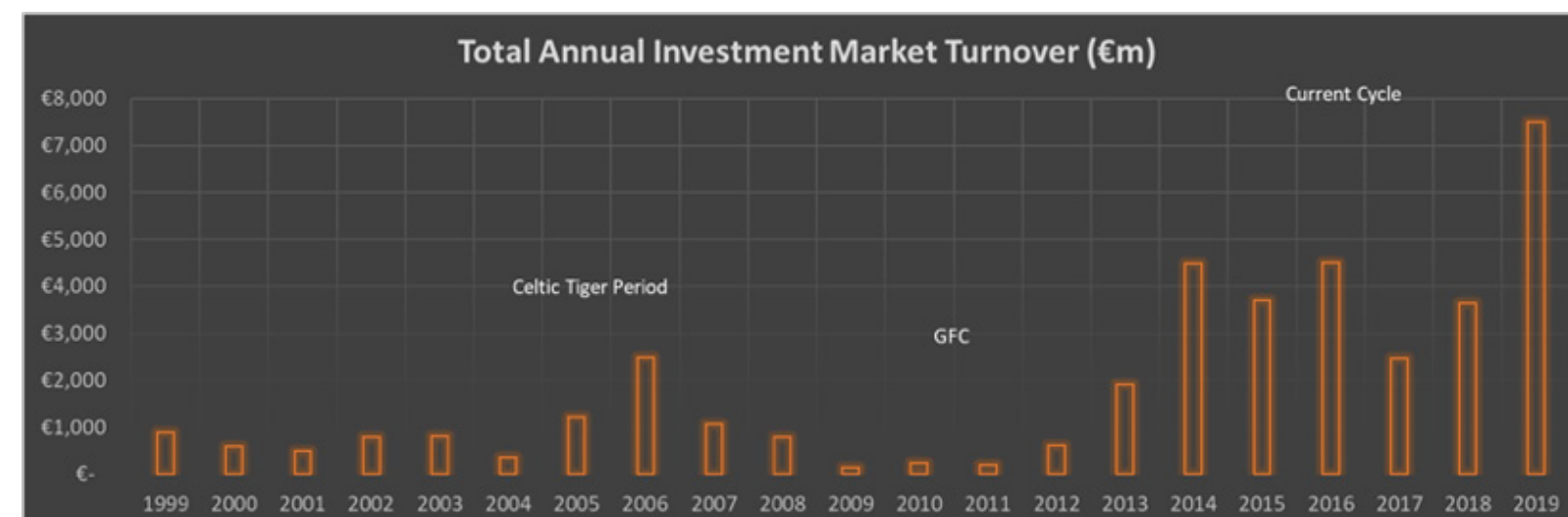
*The information in this webinar is intended to provide a general outline of the topic covered.
It should by no means be used for decision making, nor should it be used
in place of professional advice. This webinar is for educational purposes only.*

Introduction to Commercial Office Investments - Dublin

Investment Market overview

- €2.23bn of office deals in 2019.
- Dublin dominates Irish Office Transactions with 95% of value.
- In addition GREEN REIT Share sale predominantly backed by offices at €1.34bn.
- Investors focus on CBD addresses.
- Dublin 1, 2 and 4 attracted 83% of office spend by value.
- Suburbs account for sub-10% of value.
- Prime Grade Rents are stable at €60 psf Headline.
- Prime Yields approx. 4.15%, stable.

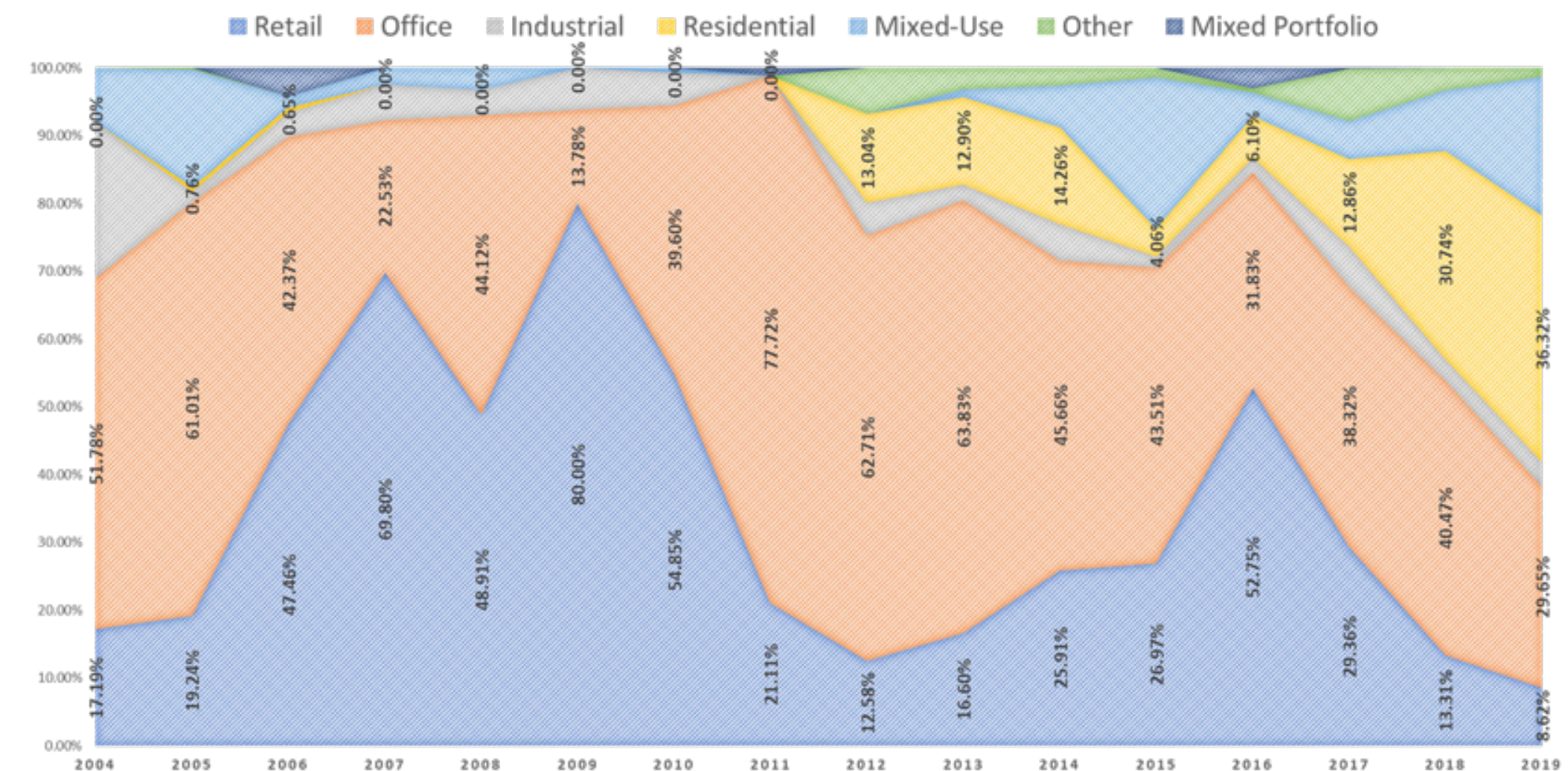
Irish Investment by turnover



Investor Profile

- Prime Market dominated by European and Asian Capital.
- German Investment Managers such as Deka, Union, Commerz Real, Kan Am, KGAL all active.
- Value add investors such as Blackstone, AXA-IM and IPUT.
- Largest individual office deal at €240m.
- Average deal size €39m.

Irish Investment by composition



Case Study: Bishops Square

Location:	Dublin 8 (CBD Fringe)
Size:	182,771 sq ft
Tenant:	77% State income and other
Rent:	€7.99m rising to €8.38m on lease events

WAULT:	9 years
Yield:	4.0% rising to 4.2%
Price:	€182,000,000
Purchaser:	GLL/ Allianz Debt



Its journey through the cycle



Current status and trends:

- **Total size:** approx. 45m sq ft.
- **Vacancy level:** approx. 5% (City Centre).
- Demand driven mainly by the Technology sector.
- Traditional ways of working continuing to transform.
- Only pre-lets under construction/very little speculative development.
- Cautious / disciplined approach to funding and development.
- Planning height restrictions.
- 3.5m sq ft active requirements (Pre-Covid-19).
- Lease terms?



Official Development Pipelines 2020

- 5.6m sq ft under construction / refurbishment.
- 49% due for completion in 2020 and 26% in 2021.
- 49% sq ft of all pipeline space is pre-let or reserved.
- 7.7 sq ft planning granted.

Pipeline examples include:

- The Exo.
- 2 Cumberland Place.
- Wilton Plaza.
- North Dock.
- Coopers Cross.
- 2 Grand Parade.
- The Termini.
- South County Business Park

Office Investment Market - SWOT analysis

Strengths

- Highly transparent Investment Market.
- Low corporation tax rate (12.5%).
- Mature economic structure.
- Investor profile: International long-term core.
- No oversupply of new office developments.

Weaknesses

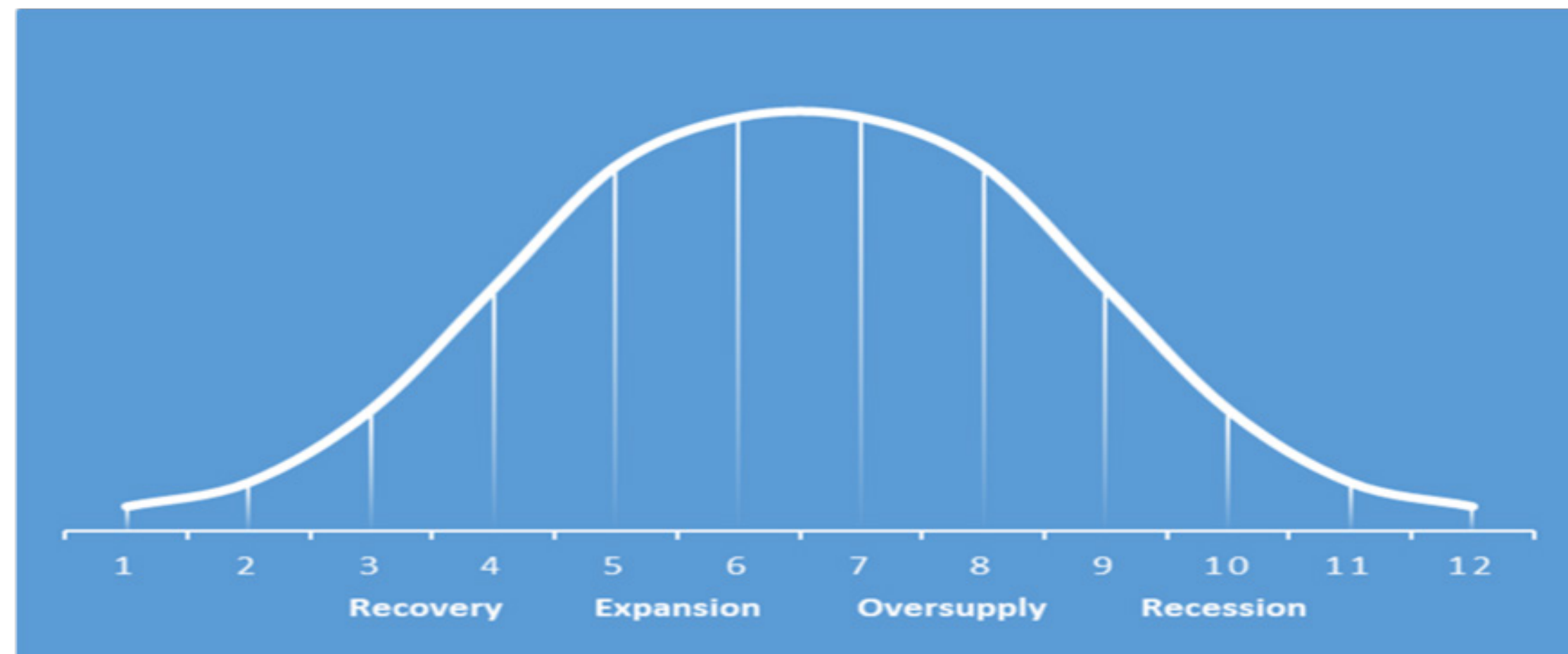
- Open Economy.
- Stamp Duty - 7.5% (9% next?).
- Rent Reviews (cap/collar, index linked).
- Dominance of tech companies as occupiers.

Opportunities

- Changing work patterns.
- Institutional Opportunity - PRS Sector.

Threats

- Corona Virus.
- Brexit.
- Political instability at home and abroad.



**Thank you for attending our
webinar.**

Here's our upcoming schedule....



An Introduction to **Hotel Investments**

13th May 2020 | 11:00am GMT

An Introduction to **Mapping for Real Estate**

20th May 2020 | 11:00am GMT

An Introduction to **Real Estate Fund Management**

27th May 2020 | 11:00am GMT

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