

Property Market Update

May 2012

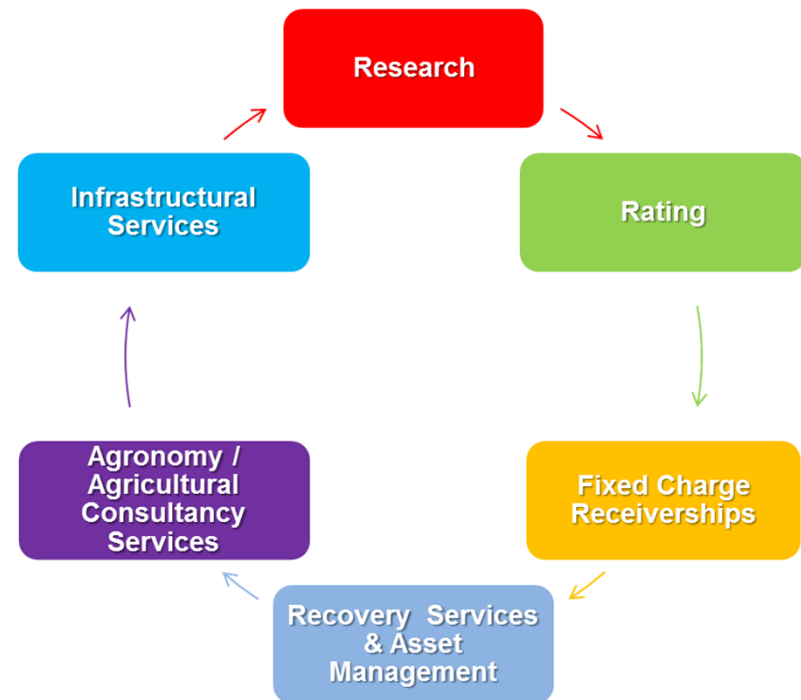


Lisney Services

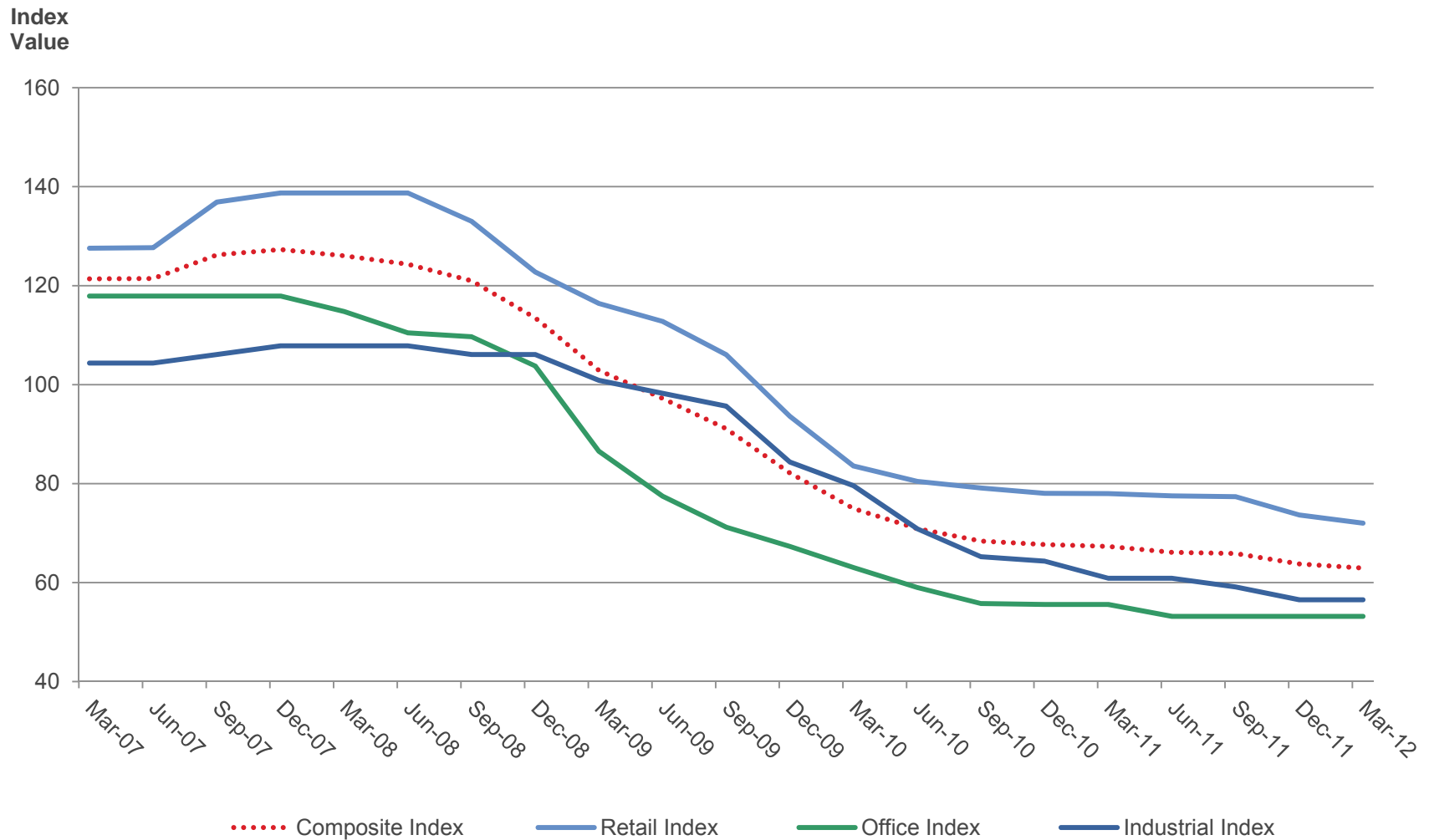
The ones you may know...



The ones you may not know...



Lisney Commercial Rental Indices



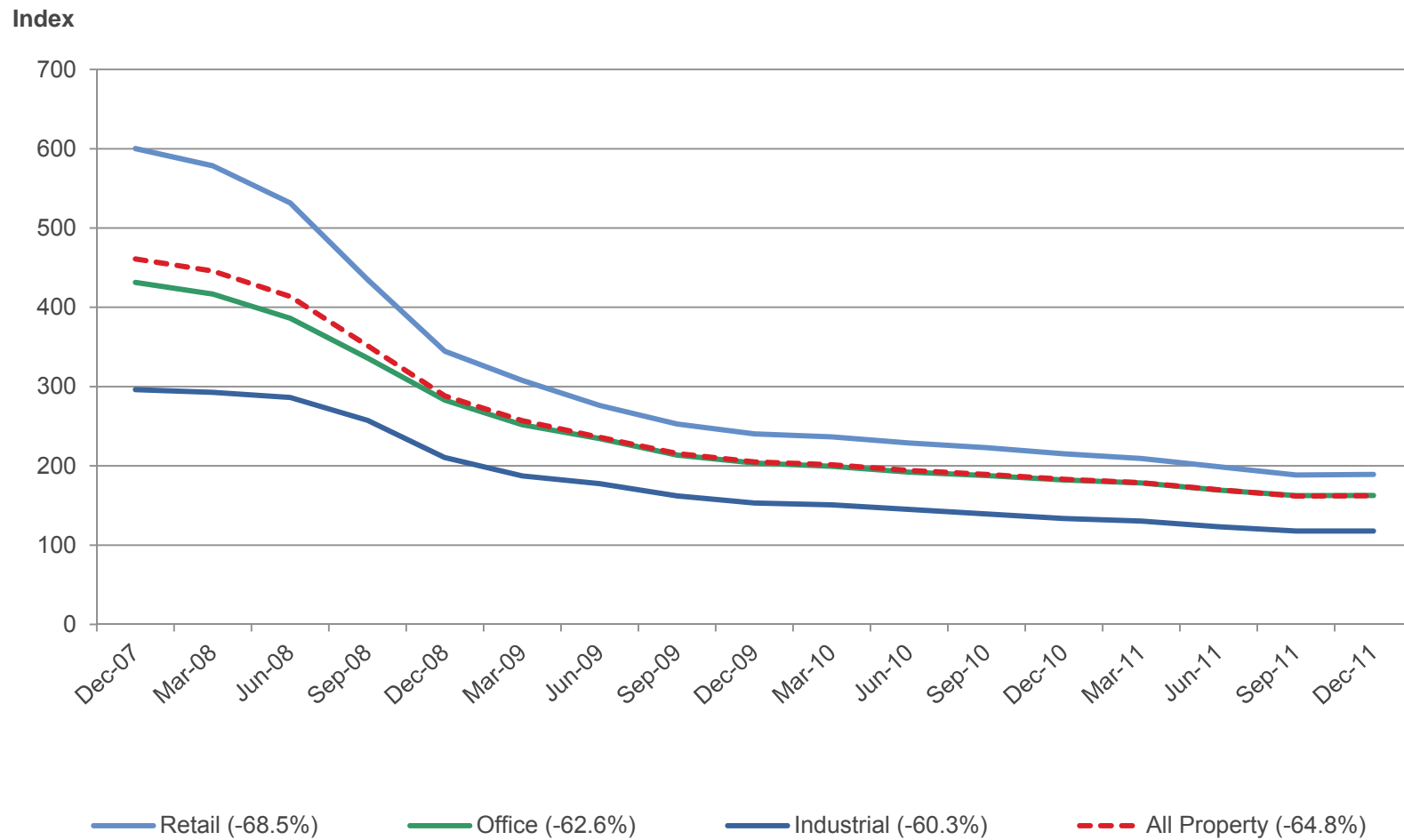
Source: Lisney Research

Lisney Commercial Rental Indices

	2010	2011	Q1 2012
Retail	-16.6%	-5.6%	-2.3%
Office	-17.4%	-4.3%	-
Industrial	-23.7%	-12.2%	-
All Property	-17.6%	-5.8%	-1.3%

Source: Lisney Research

IPD Capital Value Growth



Source: Investment Property Databank

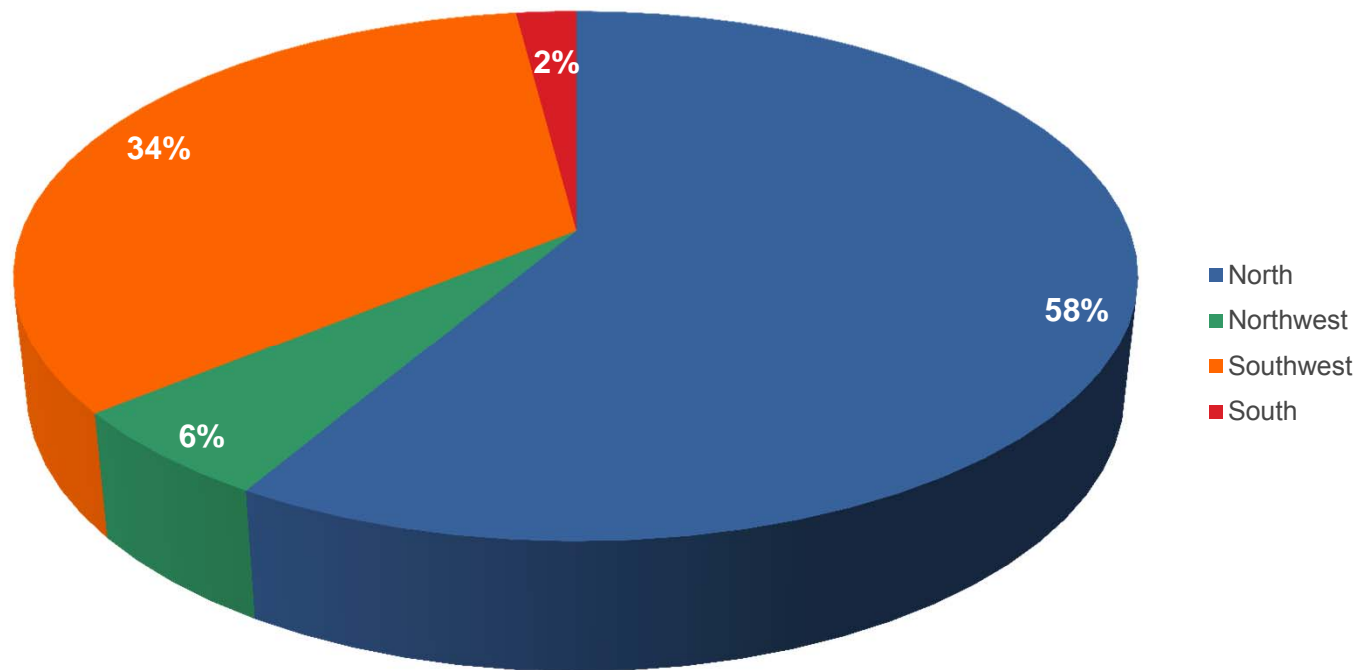
IPD Capital Value Growth

	2010	2011
Retail	-10.45%	-12.08%
Office	-10.50%	-10.47%
Industrial	-12.73%	-11.82%
All Property	-10.67%	-11.36%

Source: Investment Property Databank

Industrial Take-Up Q1 2012

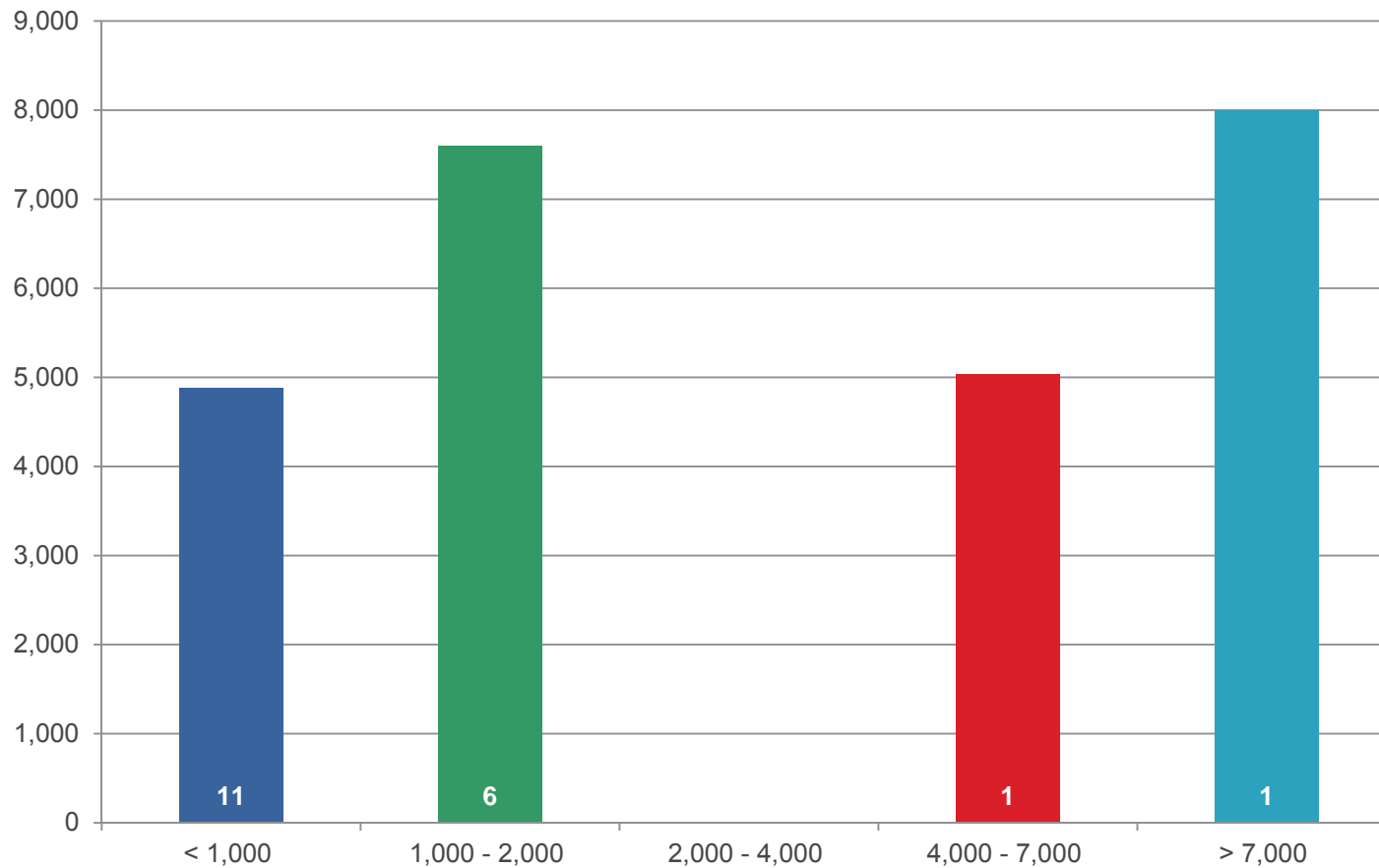
By Area



Source: Lisney Research

Industrial Take-Up Q1 2012

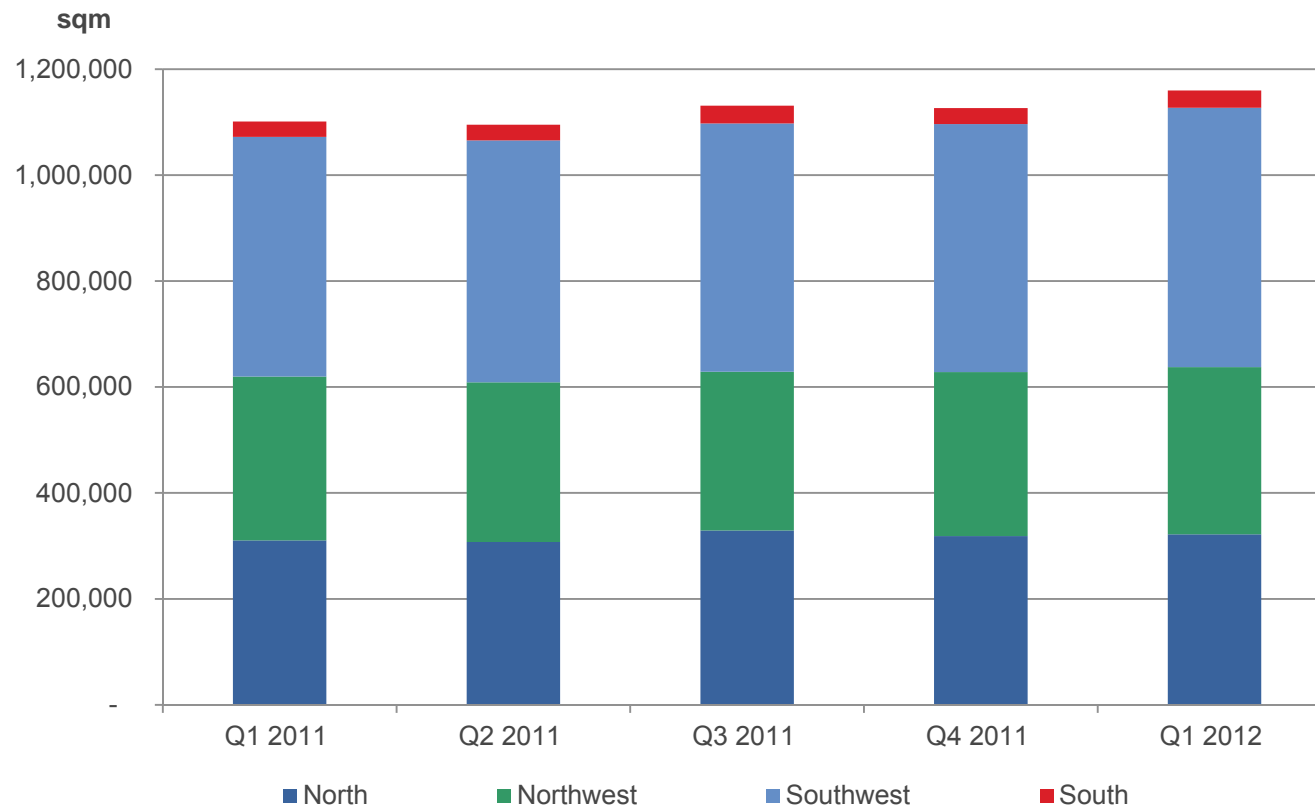
By Size Category & No. of Transactions



Source: Lisney Research

Industrial Supply Q1 2012

By Location



Source: Lisney Research

Industrial Sales



- Ballymount
- 1,221 sqm
- Sold €260,000
- €213 psm / €22 psf

- Ballymount
- 677 sqm
- Reserve €99,000
- Sale €270,000 (€400 psm / €37)



Industrial Lettings



- Furry Park, Santry
- DB Schenker
- 7,945 sqm
- €54 psm / €5 psf

- Kilcarbery
- BWG
- 11,950 sqm
- €51.70 psm / €4.70 psf



Trends in Retail

What's Hot

- Discount
 - Penneys
 - Euro General / Poundland
 - Lidl/ Aldi
 - TK Maxx
- Footwear
- Coffee Houses
 - Costa Coffee
 - Insomnia
- Jewellers
- Value Food

In

- Short / flexible leases
- Open market rent reviews
- Break clauses
- Incentives
- Turnover related rents
- Restructuring

Changing Face of Retail

Gone



New



Active Occupiers

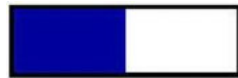


JoJo Maman Bébé

LONGCHAMP
PARIS



Thomas Sabo



ESCALES



Recent Deals

Hairspray, Henry Street



Grafton Street

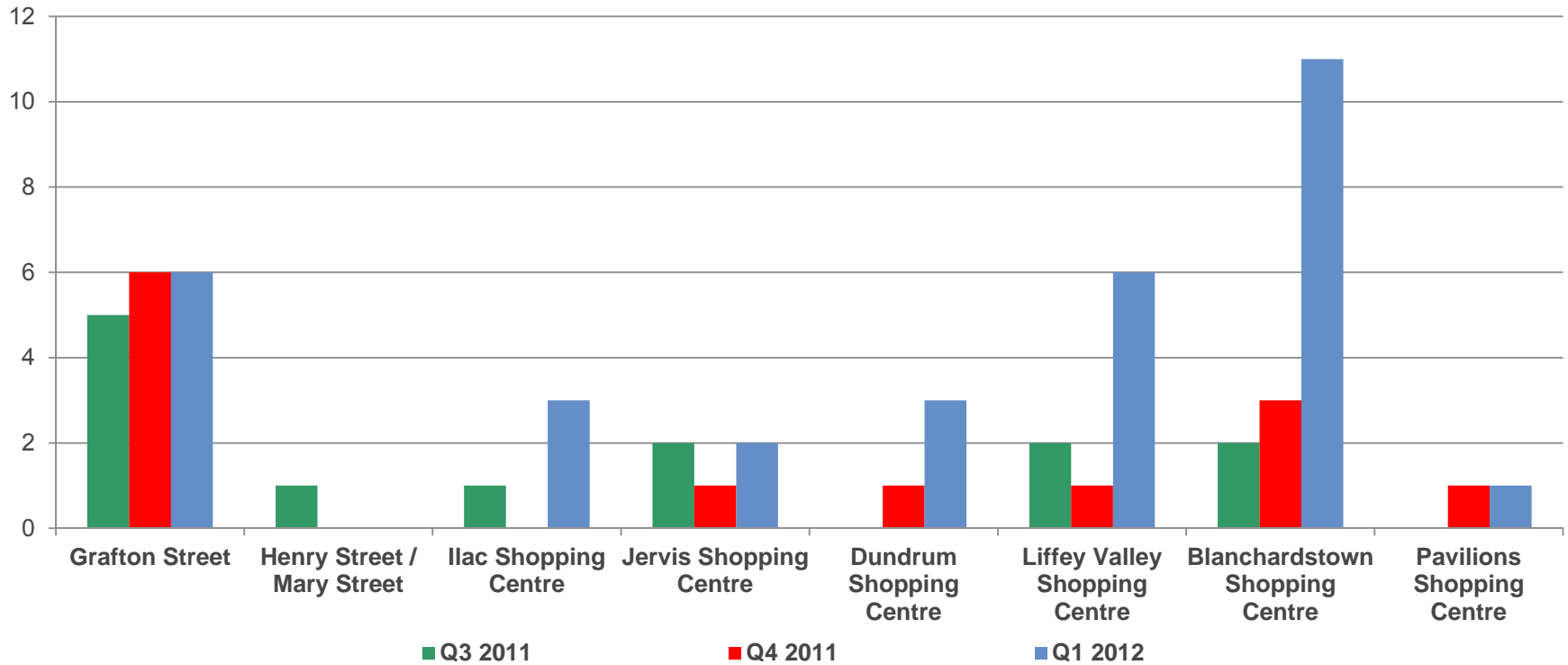


Holland & Barrett, Henry Street



Lisney Shutter Count

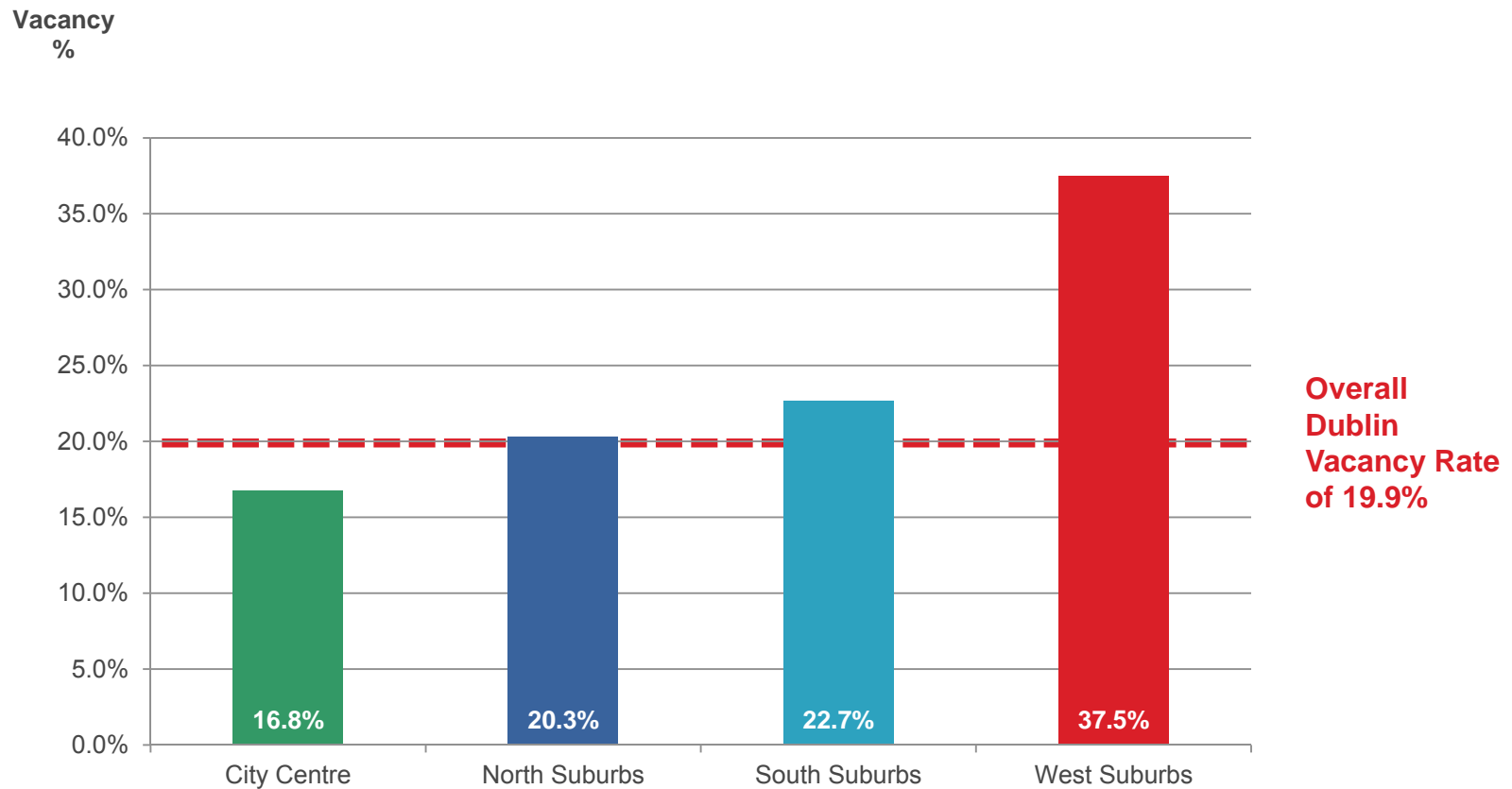
No. of Units
Unoccupied



Source: Lisney Research

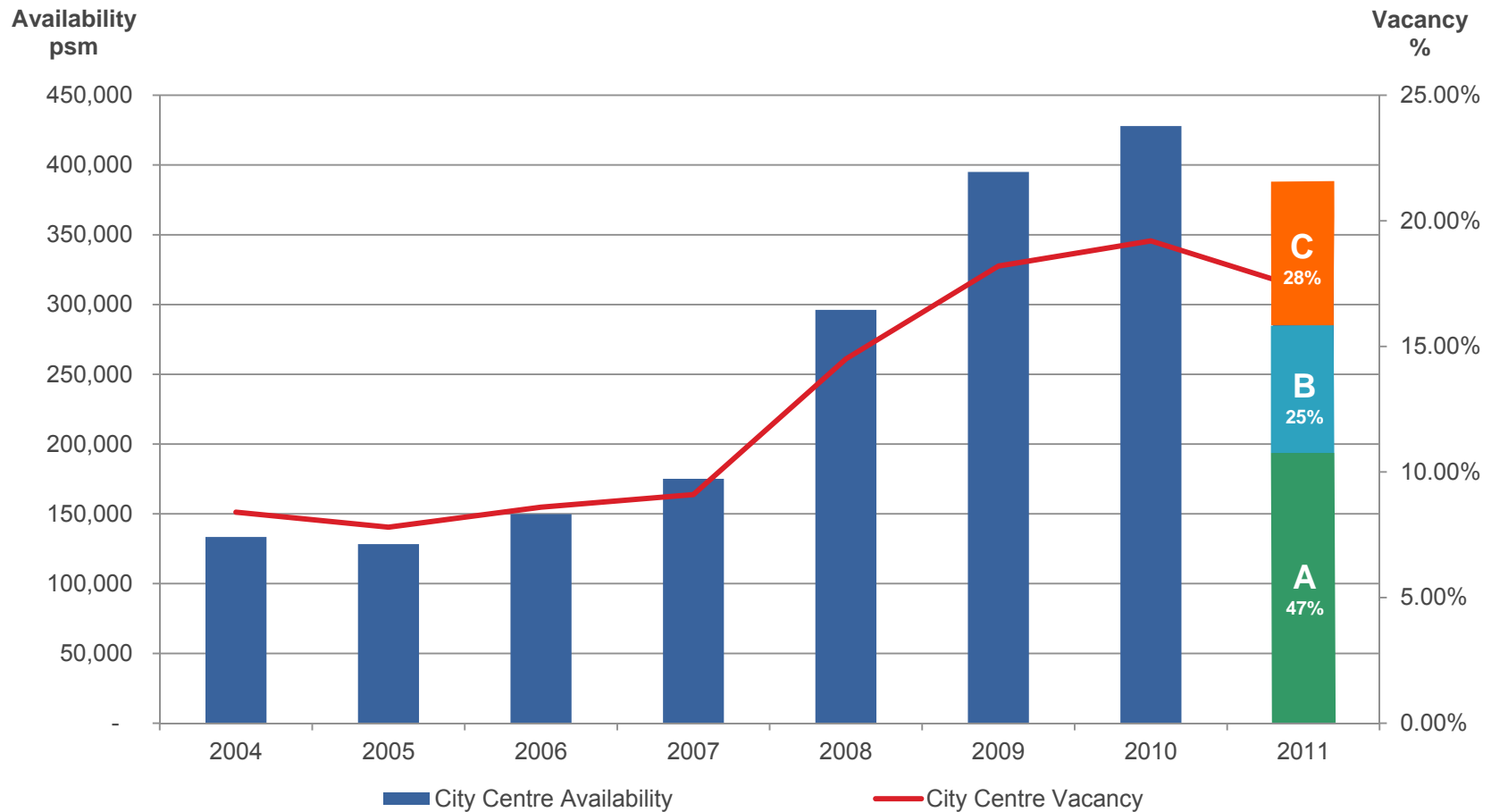
Office Vacancy Q1 2012

By Location



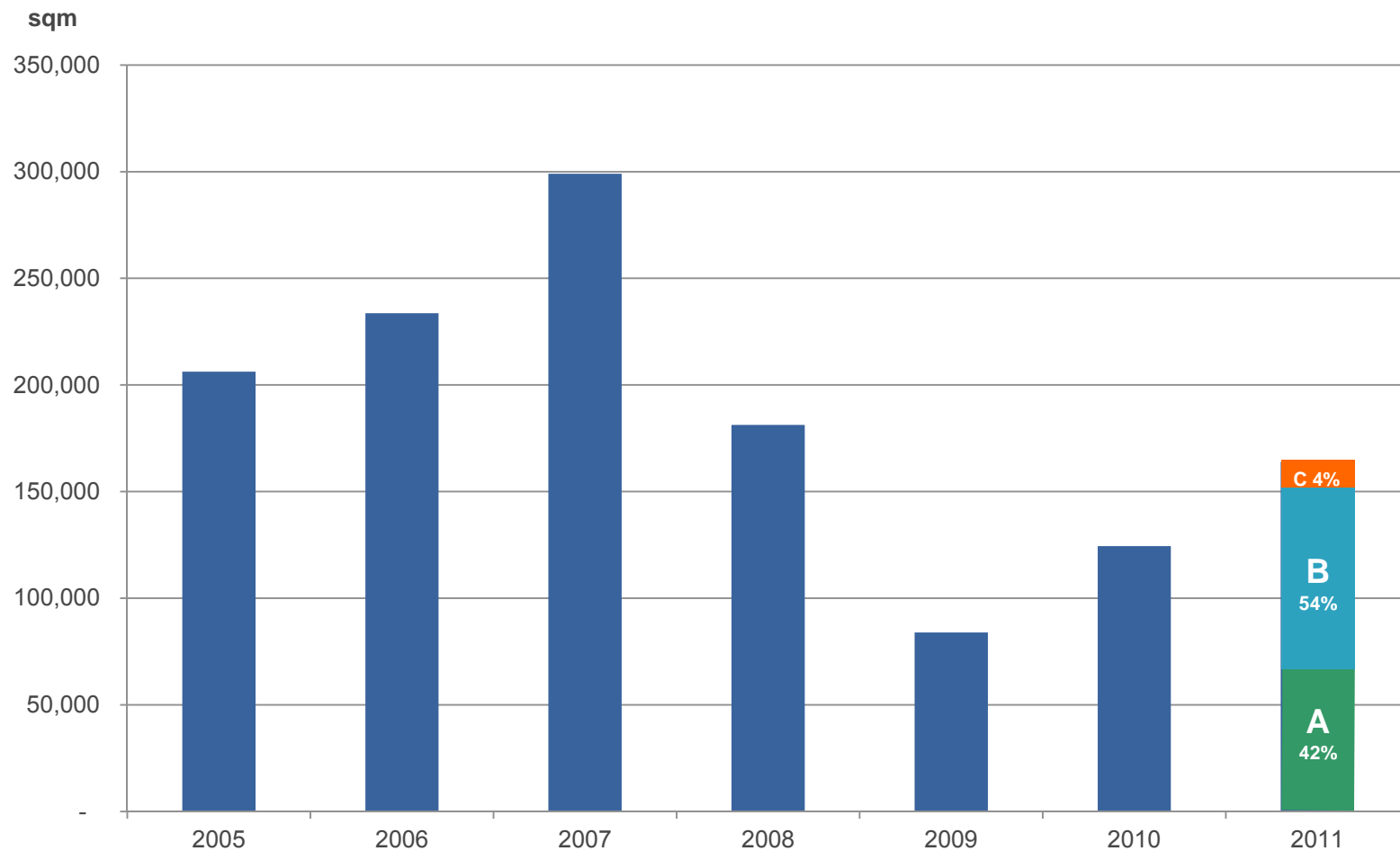
Source: Lisney Research

Dublin City Centre Availability & Vacancy



Source: Lisney Research

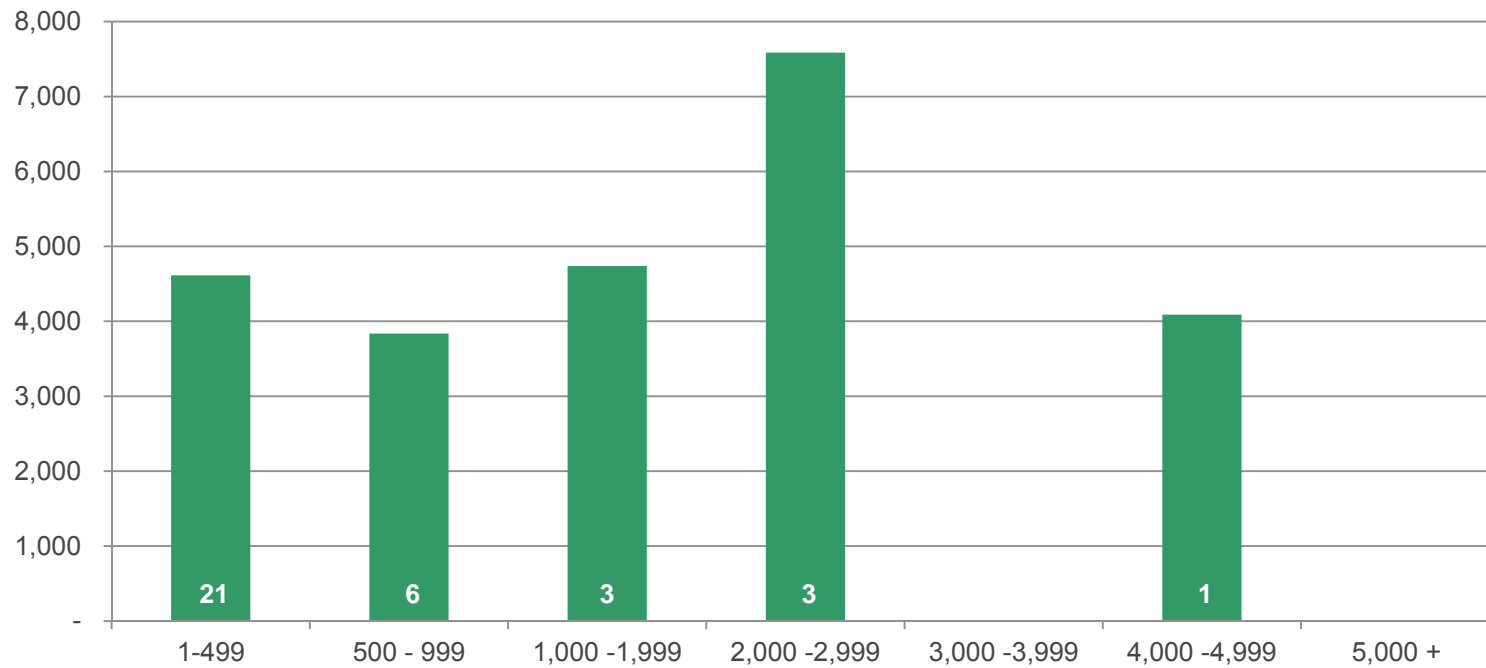
Dublin Take-Up 2005 - 2011



Office Take-Up Q1 2012

By Category Size and No of Transactions

sqm



Source: Lisney Research



Active Requirements



Jazz Pharmaceuticals™
Innovation that performs

Setanta
ASSET MANAGEMENT



BNY MELLON



CENTRAL BANK &
FINANCIAL SERVICES
AUTHORITY OF IRELAND



National Irish Bank



citibank

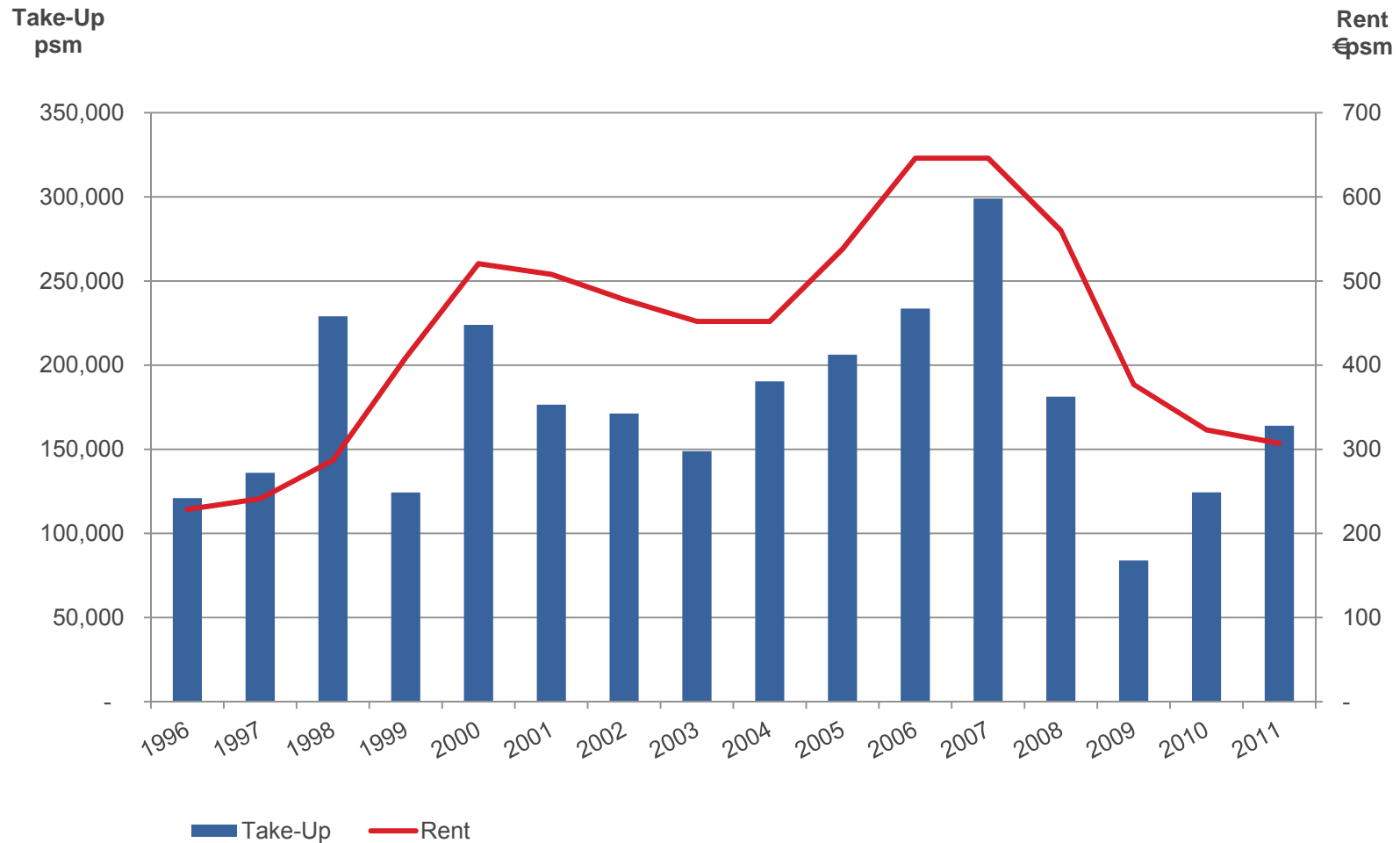


Microsoft®

amazon.com®



Take-Up v's Rent



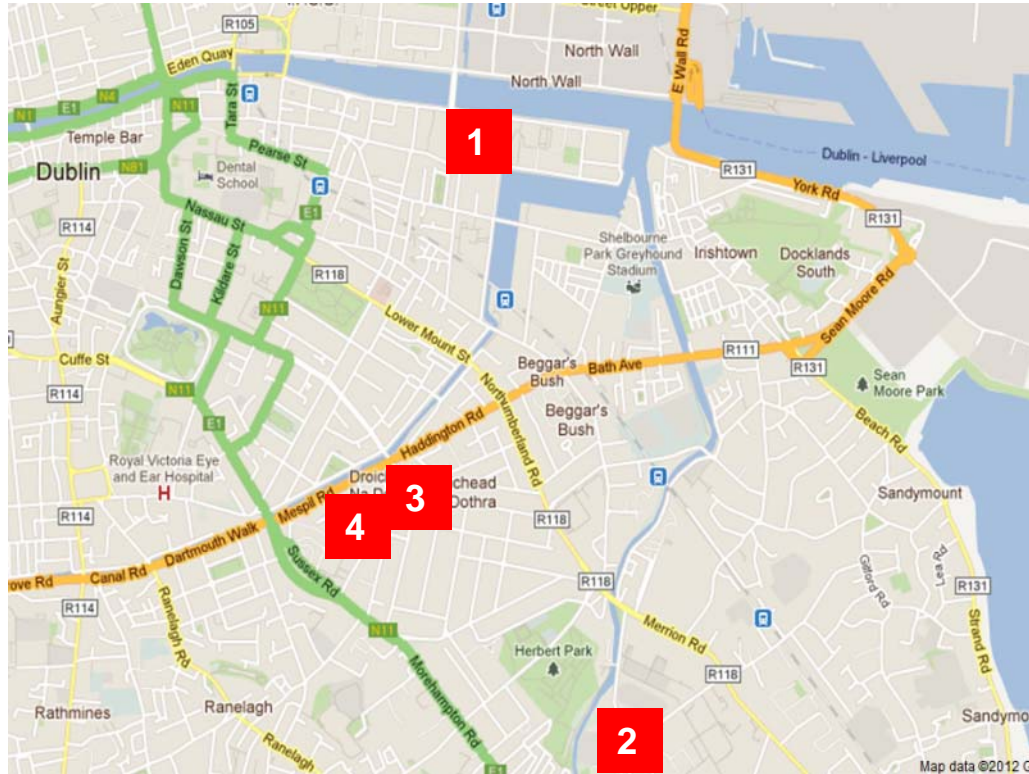
Recent Deals



1. Bloodstone Building
17,400 sq ft



2. Minerva House
20,150 sq ft



3. Burlington Plaza
34,000 sq ft



4. Connaught House
10,600 sq ft

Investment Market Overview Q1 2012

- Total available stock €450m.
- Closed Q1 €11m.
- New to the market Q1 €173m.
- Supply up 55% on Q4 2011.
- 30% of total stock agreed.
- €60m agreed in Q1.
- 78% of new stock is offices.
- Values weakened over Q1.

Prime Yields and Values

	Q3 2011	Q4 2011	Q1 2012	3 month yield change
Office	7.75%	7.75%	7.80%	↑ 5
Retail	6.75%	6.85%	6.90%	↑ 5
Industrial	9.00%	9.00%	9.00%	Stable

Source: Lisney Research

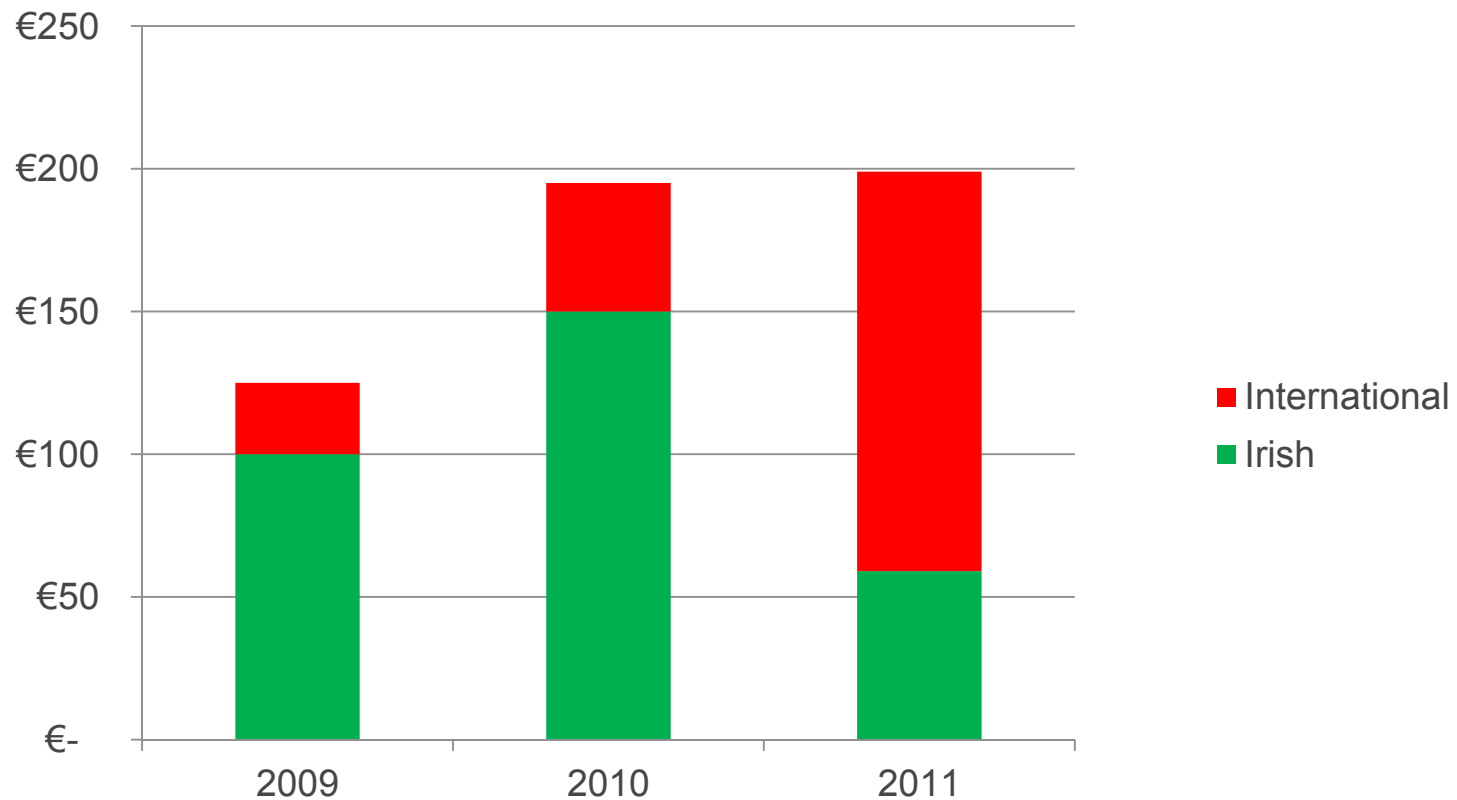
- Values continued to weaken over Q1.
- Average -2.5% in Q1.
- Continued downward adjustments in ERVs.

Is there a market?

- Appetite for 10 yrs + income.
- Offices: 4 new lots on the market in Q1.
- Retail: 21 new lots on the market in Q1.
- Industrial: Limited stock with long income.
- Supply: NAMA, Receivers, Non NAMA Banks (Ulster Bank Portfolio).

Who is buying?

- 45% of enquiries for One Warrington were overseas



Trophy Deals

- Building completed 2010.
- 55,524 sq ft.
- Rent roll of €2.12m pa.
- Let to Bord Gáis Eireann 2020



- 73,026 sq ft.
- Leased to BNY Mellon and Beauchamp's.
- Breaks 2021.

QIF Qualifying Investment Fund

- Specialist Investment Funds regulated by the Central Bank targeted at sophisticated and institutional investors.
- Fast approval process
- Exempt from Irish Tax
- Used by Hedge Funds, Private Equity Funds, Property Funds
- Can be an Investment Company, Unit Trust, Limited Partnerships or a Contractual Fund
- Very popular in other investment classes
- Minimum investment €100,000 with net worth >€1.25m

What is a REIT?

- Real Estate Investment Trust
- Majority are publicly traded companies that own and manage investment property
- 75% of assets must be real estate
- 75% of income must come from real estate
- 90%+ of net income must be distributed to shareholders

REIT – Benefits

- Liquidity
- Transparent pricing
- Low cost
- Leverage restrictions
- Economies of scale
- Facilitate regulated investment in property
- Portfolio benefits

REIT – Downsides

- General stock market sentiment
- Trade at a discount to Asset Value
- Takeover target
- Obligation to stay invested
- Reporting obligations
- Portfolio effect

UK & US REITs



Residential Sales



Howth Road

Quoting: €695,000

Achieved: +€750,000

Windsor Road

Quoting: €995,000

Region: €1,100,000





Erne Street

Quoting: €395,000

Region: €410,000

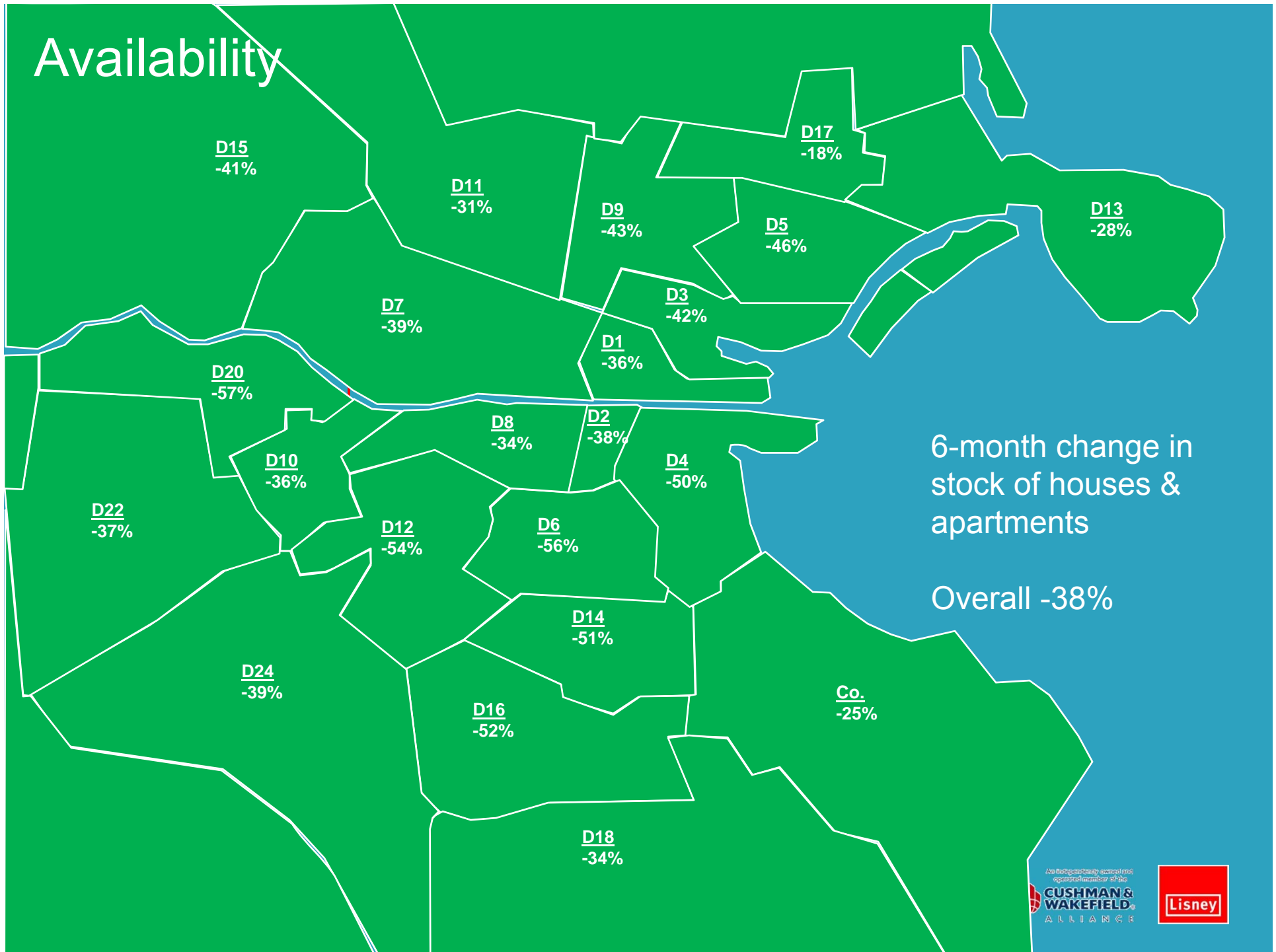
Gilford Road

Quoting: €625,000

Region: €600,000



Availability



6-month change in
stock of houses &
apartments

Overall -38%

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