

Investment Market

September 2013



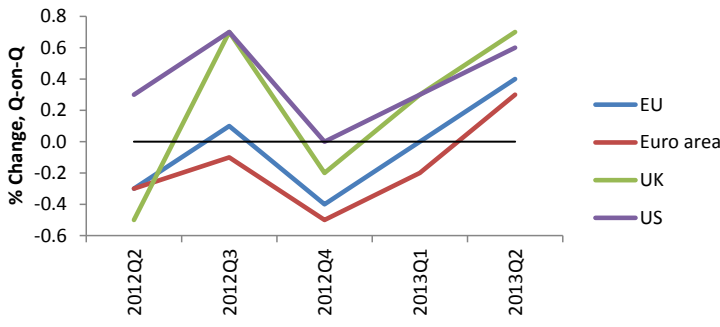
SUMMARY

Investment Market

- Recovery well underway in the Dublin office market – Vacancy rates falling, prime rents now rising.
- Retail conditions gradually recovering with improvement in the labour market and some pick-up in consumer sentiment. However, trading conditions to remain challenging in secondary and regional markets.
- H1 investment turnover = €610m; 77% up on H1 2012 and 5% higher than full-year 2012.
- 91% of turnover (€555m) concentrated in Dublin market.
- 48% of investment in office properties.
- Irish investors = 52% of investment spend, US investors = 26%.
- Irish Institutions particularly active, but new institutional investors also coming into the market.
- 52% of investment turnover involved lot sizes > €50m.
- No shortage of well capitalised buyers. However supply continues to be a constraint.
- Yield compression continuing due to competitive bidding.
- €200 million turnover in loan sales
- First Irish Real Estate Investment Trust (REIT) successfully launched by Green Property in June. It is rumoured that a second REIT promoted by WK Nowlan and Willett Companies will be launched this autumn.
- Demand for prime multi-family opportunities increasing.

Introduction

GRAPH 1
GDP Growth In Ireland's Main Trading Partners



Source: Eurostat

The global slowdown created a challenging backdrop for real estate investment during 2012, and this lingered into the opening months of 2013. However, recent data has been much more positive, and a broadly based recovery began to emerge in the second quarter of 2013. Latest estimates show that Ireland's two main trading partners – the UK and the US – grew by 0.7% and 0.6% respectively in Q2. Meanwhile the Euro Area, which had previously suffered six successive quarters of contraction, emerged from recession with 0.3% GDP growth between April and June.

After a strong recovery in 2011, the Irish economy slowed during 2012 and contracted by 0.6% in the first three months of 2013. On one hand this reflects the on-going impact of fiscal adjustment, restrictive credit and weak consumer sentiment on domestic demand. But subdued global demand, combined with patent expiries in the pharmaceutical sector, also caused the trade balance to narrow. As noted above, however, external demand picked-up strongly in Q2 leading to a recovery in exports and a resumption of GDP growth. Moreover, the Irish labour market has rebounded with almost 34,000 additional jobs created in the last year.

Just as importantly from a long term perspective, the Government achieved important concessions during H1 which will materially improve Ireland's ability to finance its national debt. These include term extensions on the EFSF and EFSM 'bailout' loans and a deal on the IBRC promissory note which, in itself, will save the exchequer approximately €1bn per annum from 2014. In addition, significant competitiveness gains have

been achieved. On one hand, this is reflected in a €1.2bn surplus on the current account of the balance of payments in Q1 2013 – the seventh such surplus in eight quarters. But it is also seen in harmonised competitiveness indicators which show a 16% improvement in Ireland's standing over the last 5 years. These successes have contributed to an improved international perception of the Irish economy. Reflecting this, Ireland was able to re-enter the sovereign debt markets with a successful auction of 10-year Government bonds in March, and is expected to return to full market funding by the end of this year.

Looking specifically at the property sector, Government policy has also helped to create a more benign environment for real estate investment. Budget 2012 introduced key measures which have underpinned a resurgence in investment activity over the last 18 months. Firstly, a reduction in commercial stamp duty has stimulated activity by directly enhancing total investment returns. Secondly, a capital gains tax waiver on deals completed before end-2013 has provided a strong fiscal incentive for long-term investment in Irish real estate. More recently, the introduction of REIT legislation under the Finance Act 2013 has opened the door to new capital, and the successful launch of the Green REIT in June, with others likely to follow, will further stimulate an already strong investment market.

These policy measures, together with improving global demand and the restoration of Ireland's economic sovereignty, create a positive outlook for the Irish investment market in the second half of 2013 and full year turnover is now expected to exceed €1.5bn.

Milestones in Ireland's Economic Recovery

- FEBRUARY**
 - ◀ **7th Feb 2013**
 Agreement with ECB to convert IBRC promissory notes to Government Bonds. Benefits include extended maturities, reduced interest rates and conversion to interest only payments.
- MARCH**
 - ◀ **13th Mar 2013**
 First 10-year Government bond sale since bailout. €5bn raised but bids of €13bn received. Foreign investors = 82% of take-up. 4.15% yield compares with yields >13% in July 2011 and 5.09% at previous 10-year bond issuance in Jan 2010.
- APRIL**
 - ◀ **12th April 2013**
 European finance ministers agree in principle to 7 year maturity extensions on Ireland's EFSM and EFSF 'bailout loans'.
- JUNE**
 - ◀ **20th June 2013**
 Eurozone finance ministers agree to consider bank recapitalisations through the ESM in respect of legacy debts on a case-by-case basis. This raises the possibility of debt relief on borrowings associated with bailing out Ireland's pillar banks.
 - ◀ **21st June 2013**
 Council of European Union ratifies decision to extend EFSM loan maturities.
 - ◀ **24th June 2013**
 Directors of EFSF ratify decision to extend EFSF loan maturities.
 - ◀ **27th June 2013**
 Ireland's presidency of the EU concludes with political agreement on 7 year EU budget.

Occupier Markets – Offices

Strong demand for office space in 2012 carried through into the first half of 2013. Take-up in Q1 was a healthy 43,285 sq m. And, although Q2 lettings were a little disappointing at 18,964 sq m, this was due to timing as much as anything – our research indicates that terms are either agreed or in advanced negotiation on a further 70,000 sq m of space. This suggests that lettings in the second half of 2013 should be reasonably strong. Looking further ahead, the fact that a number of large tenants including Arthur Cox are currently seeking proposals for office space to be occupied in 2016/2017 gives reassurance that the medium term outlook for office demand is positive.

Several large suburban lettings in H1 slightly obscure the reality that occupier demand remains primarily concentrated on the city centre office market, and most of the deals currently under negotiation are focused on this sub-market. Assuming that these contracts are signed, just two prime buildings of over 10,000 sq m will remain available in the core Dublin 2 and 4 sub-markets. Moreover, the availability of prime space in the 2,000-5,000 sq m category is also becoming restricted. This will limit the choices available to occupiers seeking space and is likely to drive prime rents above their current €377 per sq m.

Despite these looming shortages no speculative construction or major office refurbishments are underway. Indeed the consensus view is that new construction will only happen on the back of pre-lettings. Traditionally pre-lets have not

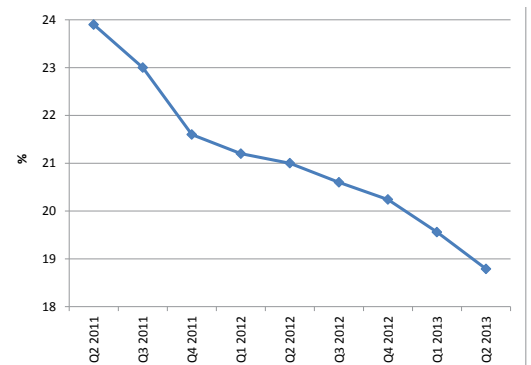
been uncommon where buildings are already under construction. However pre-lets prior to commencement have been very rare and are only suited to larger occupiers in relatively stable industries. In a market like Dublin where much of the demand is generated by fast changing, rapidly growing tenants, pre-lettings will not be a general solution. Instead, speculative building or refurbishment is needed now.

With net absorption of 21,569 sq m in the first half of 2013, the suburban market has also tightened considerably. Again, there is very little new prime space available in the north or west suburbs and availability in the south suburbs is steadily reducing. However there is good supply of older second hand stock in all of these locations which should be sufficient to meet the foreseeable requirements.

An interesting development is that the tightening supply of high quality space in prime city centre and suburban locations is now diverting occupier attention towards the best secondary space. As a result, Grade B lettings increased from 36% of total take-up in H1 2012 to 50% in the first half of this year.

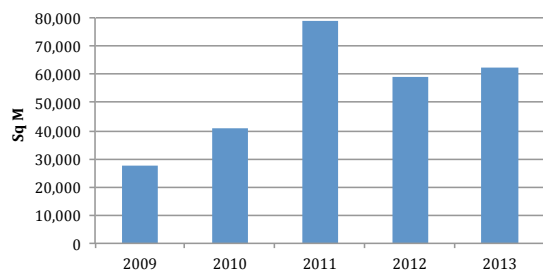
Rents have generally been fairly stable with some upward movement in the best city centre space, especially in the smaller size categories. The upward trend in prime rents is likely to become more pronounced in the second half of the year as decreasing availability leads to competition for the best space.

GRAPH 2
Vacancy Rate Dublin Offices



Source: Savills Research

GRAPH 3
H1 Office Take-up



Source: Savills Research

Occupier Markets - Retail

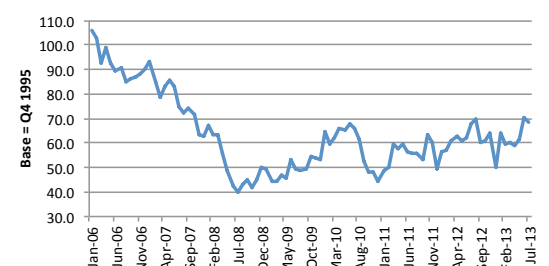
Conditions in the retail sector continue to remain challenging. However there is a growing sense that things are beginning to improve. Live register figures indicate that unemployment has fallen from 14.9% to 13.6% in the year to date, with the private sector generating approximately 3,750 new jobs per month in net terms. This has helped aggregate household disposable incomes to stabilise and has contributed to an upward trend in consumer sentiment.

Gradually, this is starting to feed through to the tills. Therefore, although there has

been no dramatic recovery, core retail sales (which exclude motor vehicles) increased by almost 1% in real terms in the year to June.

A closer analysis of the retail sales data identifies that electrical goods stores are out performing, with sales driven by an ongoing shift in consumer preferences towards mobile devices such as tablets, smartphones etc.. Similarly, stores which sell staple items continue to perform well. These include supermarkets, pharmacies, clothing, footwear and department stores. In contrast, stores

GRAPH 4
Consumer Sentiment Index



Source: ERSI / KBC

which are associated with the housing market (e.g. hardware and furniture stores) are underperforming, as are bars where spending is highly discretionary.

At the occupational level we are now beginning to witness the emergence of a two tier market. On one hand established retailers who are exposed to legacy rents and upwards-only rent reviews are trading at a competitive disadvantage. On the other hand we have new international entrants who can benefit from lower rents and more flexible

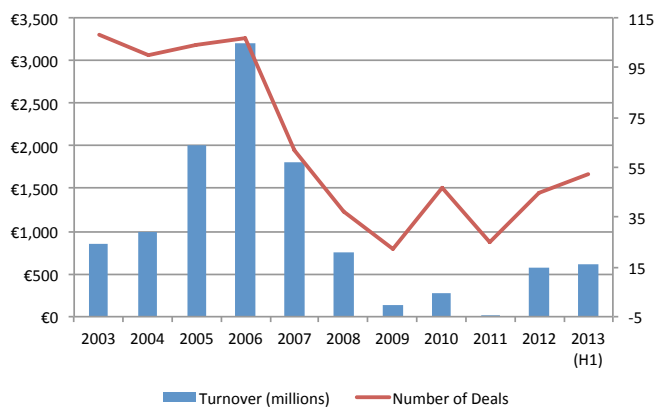
lease terms. The net effect has been a number of high profile failures of long established retail chains (La Senza, HMV, Monsoon / Accessorize), with the void being filled by newcomers such as Hugo Boss, Michael Kors, Levis and Vans who have the opportunity to acquire prime high street and shopping centre space on more favourable terms.

Overall, the outlook for prime high street and shopping centre space is improving, and we anticipate that a number of significant lettings will be

announced over the coming months. However, retail conditions remain fragile and vulnerable to ongoing macro-economic influences such as tight credit, precautionary saving and further fiscal austerity. It is speculated that the recent spate of examinerships will continue. However, as noted above, where prime units become available following an insolvency event they are typically re-let within a relatively short period of time. Unfortunately, the outlook for secondary and regional shopping space is less promising. This will be dominated by the value sector and a limited number of high profile domestic retailers who will benefit from heavily incentivised deals.

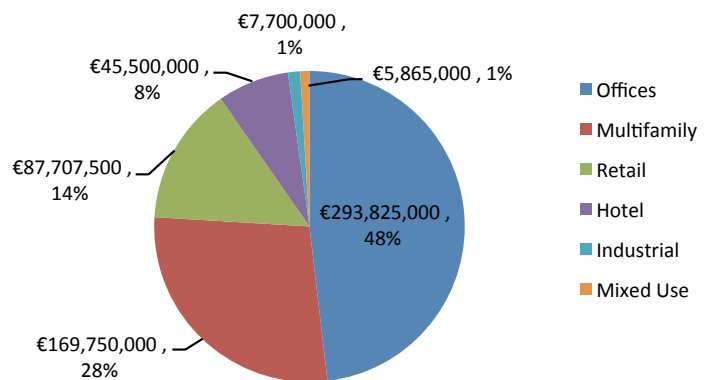
Investment Market

GRAPH 5 Investment Turnover & Number of Deals



Source: Savills Research

GRAPH 6 Investment by Sector



Source: Savills Research

2013 began with approximately €240m of investment property sale-agreed/ in legals, and a further €200m available for purchase. By mid-year this had translated into completed sales of €610m. This compares with a turnover of €170m for the first half of 2013 and shows that the momentum which was witnessed in the second half of last year has continued into 2013. Reassuringly, the demand for investment property has been broadly-based. On one hand, the Irish institutions are once again active in the market. At the same time, foreign investors are being attracted by growing confidence in the Irish economy and by the value on offer. Investors are also attracted by reduced stamp duty and capital gains tax relief on properties bought before the end of 2013 and held for seven years.

As we enter the Autumn season demand from foreign buyers, particularly those

from the U.S., Europe and Asia, remains strong. With contracts already signed on approximately €1bn of assets and with further properties sale agreed, the outlook for the remainder of the year remains extremely positive. Indeed, it is now likely that total investment turnover will exceed €1.5bn for the year - a level which has not been reached since 2007.

Locational Demand

Investment activity in the first half of 2013 was strongly concentrated on Dublin with 86% of transactions by volume and 91% of sales by value occurring in the capital. This is a trend that can be seen throughout Europe as investors increasingly look to core markets within different countries. Of the €55m of investment sales outside Dublin, €51.8m was accounted for by just two deals; the sales of Edward Square Shopping Centre in Galway and The River Lee Hotel in Cork. Looking forward, with both supply

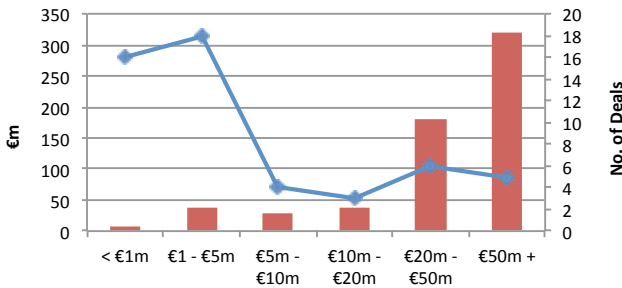
and investor demand remaining focused on the capital, Dublin will remain the dominant investment location in the second half of 2013.

Sectoral Demand

Office investment is clearly the sector of choice for investors in 2013, with activity exclusively focused on the Dublin market. Office sales accounted for 48% of total investment value and 52% of total transactions in H1 2013. Ten of the 15 office sales were in the traditional core office locations of Dublin 2 and 4.

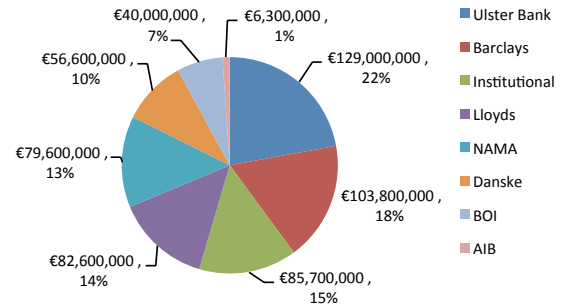
2012 saw the creation of a new investment category with the first large-scale trading in multi-family residential blocks. This category continued to grow, with approximately €170m of multi-family product transacted in the first half of 2013. The largest multi-family deal was the sale of Clancy Quay, a prime apartment development located adjacent to Dublin's Heuston Station, to Kennedy Wilson for a price in the region of €82m (net initial yield of approximately 6.5%). The Gemini Portfolio, containing three multi-family assets in Dublin and Cork, was exchanged to the Comer Group for a price in the region of €65m.

GRAPH 7
Turnover and No. of Deals by Lot Size



Source: Savills Research

GRAPH 8
Supply of Investment Product - Banking Origin



Source: Savills Research

There is evidence that multi-family investment can become an enduring part of the investment landscape in Ireland, with recent deals demonstrating investors' willingness to commit even where full ownership of entire blocks is not possible. The recent acquisition by Capreit – a Canadian listed REIT – of four multi-family schemes in the greater Dublin area further demonstrates the growing international appetite for Irish multi-family investments. Looking ahead to the remainder of 2013 we expect this demand from international investors to remain strong and we anticipate further yield compression in this sector as investor appetite outstrips the supply of prime assets.

Retail investment has picked up strongly with turnover exceeding €85m in the first six months of 2013. This accounts for 14% of total investment sales and represents a 60% increase on the full-year sales figure for 2012 (€53m). However, turnover in this sector remains constrained by a scarcity of large-scale quality retail assets for sale.

Lot Size

Larger lot sizes, which came to the market in the first half of the year, attracted the interest of both institutional and private equity investors. There were five transactions in the €50m plus lot size category, making up 52% of turnover. Two of these were purchased by US investors, two by Irish institutional investors and the other by a private Irish investor.

Six investments were completed in the €20-€50m category, four by Irish investors, one by a German investor and one by a Swiss investor. These transactions comprised 29% of total market turnover.

Of the remaining 39 transactions, seven involved lots of between €5-€20m, while 32 were for lot sizes of less than €5m.

Origin of Demand

Irish investors were responsible for six of the top ten investments, with one institution - Irish Property Unit Trust (IPUT) – buying two of the highest value lots (a prime office building on Dublin's North Wall Quay let to law firm A&L Goodbody, and the Airlines Portfolio containing four city centre office blocks and a Tesco retail store). Most investments in the sub-€5m category were made by private Irish investors and completed on a confidential basis. Between these two extremes, a diverse group including American, European and Private Irish investors were active in buying lots of €5m-€20m. With the successful launch of the Green REIT in June, and with similar vehicles likely to follow, REITs will form a significant part of market demand going forward.

Origin of Supply

The increased supply of investment product witnessed in the later part of 2012 continued apace in H1 2013 as both domestic and overseas banks continued to deleverage either via consensual or enforced sales. Supply has been focused where demand is greatest - namely Dublin offices and multi-family which together accounted for 76% of transactions by value.

In the first half of this year divestments by institutional real estate investors accounted for 14% of the total stock sold (€85m). Foreign financial institutions accounted for €372m or 64% of sold stock over €2m in value. This compares with €263m or 56% for the full year of 2012. We see this trend continuing

as overseas financial institutions accelerate their deleveraging activity. Whilst Ulster Bank were the most prolific over the last eighteen months we expect to see other non-covered institutions such as Danske Bank and Lloyds increase the volume of asset sales. NAMA likewise are expected to bring a number of office investment portfolios to the market by the end of the year.

Yields, Capital Returns and Rental Values

Evidence from the first half of 2013 indicates that prices have continued to harden with buyers regularly paying in excess of asking prices. This has resulted in yield compression and we anticipate this trend will continue for prime assets throughout the remainder of the year.

Two office deals which closed in 2013 (the sale of A&L Goodbody HQ and The Harcourt Building), achieved income yields close to 6.60% and 7.67% respectively. The sale in Q1 of William Beckett House, a prime multi-family block in Dublin 2, achieved a net yield of 5.4%; a new benchmark in this asset class.

The first six months of 2013 also provided evidence that prime retail yields are tightening as the sale of 102-104 Grafton Street to a German investment fund achieved an income yield of approximately 7%. The sale of the River Lee Hotel in Cork for €24.5m providing an income yield of 7.97% gives investors an indication of pricing levels and returns for this asset class.

Latest figures from IPD, the leading authority on property market performance in Ireland, show that Irish commercial property gave a total return of 5.3% in the 12 months to June.

TABLE 1

Sector	Prime	Secondary	LT Average
Offices	6.50%	8.50%	6.20%
Retail	6.25%	8%	4.50%
Industrial	9%	10%	7.80%
Multi-family (net)	5.50%	8%	n/a

Source: Savills Research

TABLE 2

Notable Investment Transactions

Property	Sector	Price Achieved	Income Yield	Selling Agent	Vendor	Purchaser
Clancy Quay, Islandbridge, Dublin 8	Multi-family	Region €82.5m	6.50%	Savills	Grant Thornton	Kennedy Wilson
The Gemini Portfolio	Multi-family	Region €65m	6.25%	Savills	Grant Thornton & KPMG	Comer Group
Bishop's Square, Kevin Street Lower, Dublin 8	Office	€65m	9.95%	Savills	IPUT / PwC	King Street
A&L Goodbody HQ, IFSC, Dublin 1	Office	€58m	6.60%	Weir & Conway	Private Syndicate	IPUT
Irish Airlines Portfolio	Mixed Use	€50m	10.72%	JLL	Irish Airlines Pension Fund	IPUT
102-104 Grafton Street, Dublin 2	Retail	€40m	7.00%	n/a	David Daly	GLL Partners
La Touche House, IFSC, Dublin 1	Office	€35m	9.38%	JLL	Warren Private Syndicate	Credit Suisse
The Harcourt Building, Harcourt Street, Dublin 2	Office	€31.5m	7.67%	Savills	Deloitte	Davy Target Investments Plc.
Edward Square, Galway	Retail	€27.3m	8.53%	DTZ / DNG	Barrett Holdings	Signature Capital
River Lee Hotel, Cork	Hotel	€24.5m	7.97%	Savills	O'Callaghan Properties	Crownway Investments
Jurys Inn, Parnell Street, Dublin 1	Hotel	€21m	10.9%	Savills	Davy Private Clients	Private & Confidential

Source: Savills Research

TABLE 3

Clancy Quay

Location:	Islandbridge, Dublin 8
Sector:	Multi-family
Sale Date:	Q2 / 2013
Sale Price:	Region €82.5m
Initial Yield:	7.89% (Gross)
Term Certain:	N/A
Size:	420 apartments, approximately 3,408 sq. m. of commercial accommodation and a 3.42 hectares (8.46 acres) adjoining site
Vendor / Agent:	Grant Thornton on behalf of Lloyds and Danske Bank / Savills
Purchaser / Advisor:	Kennedy Wilson / Unadvised
<p>Landmark Multi-family Investment currently producing a gross residential income of approx. €3.17 m with an ERV of approx. €6.8 m per annum on completion of fit out and full letting. Adjoining 3.43 ha. (8.46 ac.) site of undeveloped land benefits from full planning permission for 323 residential units, a hotel, educational buildings & a crèche.</p>	



Source: Savills

TABLE 4
The Gemini Portfolio

Location:	Tallaght Cross East, Dublin 24; Island Key, Dublin 3 and Orchard Gardens, Cork
Sector:	Multi-family
Sale Date:	Q2 / 2013 (Exchanged)
Sale Price:	Region €65m
Initial Yield:	7.1% (Gross)
Term Certain:	N/A
Size:	640 apartments, approximately 18,720 sq. m. of commercial accommodation and a 48 bed hotel
Vendor / Agent:	KPMG and Grant Thornton on behalf of RBS and Ulster Bank / Savills
Purchaser / Advisor:	Comer Group / Unadvised
Savills Investment Team recently exchanged contracts on Ireland's largest residential portfolio which consists of three modern, well located multi-family schemes producing a gross passing rent of approx. €5.56m per annum.	



Source: Savills

TABLE 5
Bishops Square

Location:	Kevin Street Lower, Dublin 2
Sector:	Office
Sale Date:	Q1 / 2013
Sale Price:	€64.5m
Initial Yield:	9.95%
Term Certain:	c. 9 years
Size:	14,266 sq. m. & 64 car spaces
Vendor / Agent:	Irish Property Unit Trust & PwC as Receiver / Savills
Purchaser / Advisor:	King Street / Unadvised
Six storey 3rd generation multi-let office building extends to approximately 14,266 sq m (153,558 sq ft) with 64 basement car spaces. The property is fully let to 5 AAA covenants tenants with a current rent of approx. €6.7m per annum.	



Source: Savills

TABLE 6

Irish Airlines Portfolio

Location:	10/11 Molesworth Street; 17/18 Dawson Street; Blocks 2&3 Harcourt Centre, Harcourt Street; 47/49 St Stephens Green and Baggot Street Upper
Sector:	Office & Retail
Sale Date:	Q1 / 2013
Sale Price:	€58m
Initial Yield:	10.72%
Size:	24,154 sq. m. (Office); 2,555 sq. m. (Retail)
Vendor / Agent:	Irish Airlines Pension Fund / JLL
Purchaser / Advisor:	IPUT / Unadvised

The portfolio comprised of five city centre properties including four office buildings and a Tesco retail store. The offices extended to a total of 24,154sq m (260,000 sq ft) with tenants including the EU Commission, the Irish Insurance Federation, Mazars, Office of Public Works, Eircom and Caledonian Life. The total current passing rent of the portfolio was approximately €6.5m.



Source: Savills

TABLE 7

A&L Goodbody HQ

Location:	IFSC, North Wall Quay, Dublin 1
Sector:	Office
Sale Date:	Q1 / 2013
Sale Price:	€58m
Initial Yield:	6.6%
Term Certain:	c. 12 years
Size:	9,984.56 sq. m. & 119 car spaces
Vendor / Agent:	Private Syndicate / Weir & Conway
Purchaser / Advisor:	IPUT / Unadvised

Six storey over basement 3rd generation multi-let office building extends to approximately 9,984.56 sq. m. (107,473sq ft) with 119 basement car spaces. The property is let to the partners of A&L Goodbody Solicitors with a current rent of approx. €4m per annum.



Source: Savills

TABLE 8
102 – 104 Grafton Street

Location:	Dublin 2
Sector:	Retail
Sale Date:	Q1 / 2013
Sale Price:	€40m
Initial Yield:	7%
Term Certain:	c. 10 years
Size:	929 sq. m.
Vendor / Agent:	David Daly
Purchaser / Advisor:	GLL / HWBC
<p>Two adjoining five storey over basement retail units extending to approximately 929 sq. m. (10,000sq ft). Unit 102/103 is let to River Island and unit 104 is let to Wallis both with over 10 years unexpired at a combined current rent of approx. €2.9m per annum.</p>	



Source: Savills

TABLE 9
La Touche House

Location:	IFSC, Dublin 1
Sector:	Office
Sale Date:	Q2 / 2013
Sale Price:	€35m
Initial Yield:	9.38%
Term Certain:	c. 4.5 years
Size:	9,615 sq. m. with 134 car spaces.
Vendor / Agent:	Warren Private Syndicate / JLL
Purchaser / Advisor:	Credit Suisse / HWBC
<p>Six storey over basement 3rd generation multi-let office building extends to 9,615sq m (103,500sq ft) with 62 car spaces. The property is multi-let with tenants including Dexia bank, Zurich Insurance and Bank of Ireland with a total current rent of approx. €3.4m per annum.</p>	



Source: Savills

TABLE 10
The Harcourt Building

Location:	Harcourt Street, Dublin 2
Sector:	Office
Sale Date:	Q2 / 2013
Sale Price:	€31.5m
Initial Yield:	7.7%
Term Certain:	c. 5 years
Size:	5,217.9 sq. m. with 44 basement car spaces
Vendor / Agent:	Deloitte on behalf of RBS / Savills
Purchaser / Advisor:	Davy Target Investments Plc / Unadvised
<p>Six storey over basement 3rd generation multi-let office building extends to 5,217.9 sq. m. (56,166 sq. ft.) with 44 basement car spaces. The property is multi-let with tenants including Investec Bank, Man Investments (Sublet to Bloomberg Polarlake), Cuna Mutual and Starbucks producing a total rental income of €2,524,309 per annum.</p>	



Source: Savills

TABLE 11
Edward Square

Location:	Galway City, Ireland
Sector:	Retail
Sale Date:	Q2 / 2013
Sale Price:	€27.3m
Initial Yield:	8.53%
Term Certain:	c. 11.5 years
Size:	7,744 sq. m.
Vendor / Agent:	Barrett Holdings / DTZ & DNG
Purchaser / Advisor:	Signature Capital / Unadvised
<p>Six modern retail units over 2 floors, Dunnes is over 3 floors, 3 floors of residential accommodation above Edward Sq that can be acquired. Fully occupied, average weighted unexpired lease term of approx 11.5 years with a current rent of approx. € 2,432,517 per annum.</p>	



Source: Savills

TABLE 12
River Lee Hotel

Location:	Lancaster Quay, Cork
Sector:	Hotel
Sale Date:	Q1 / 2013
Sale Price:	€24.5m
Initial Yield:	8%
Term Certain:	c. 28 years
Size:	182 bedrooms with 150 basement spaces
Vendor / Agent:	O’Callaghan Properties / Savills
Purchaser / Advisor:	Crownway Investments / CBRE
<p>4 star hotel incorporating 182 bedrooms, dining and leisure facilities and 150 basement car parking spaces. The property is let to PV Doyle Hotels Limited on a 35 year lease from 2006 with a current passing rent of approx. €2,044,000 per annum.</p>	



Source: Savills

TABLE 13
Jurys Inn Hotel

Location:	Parnell Street, Dublin 1
Sector:	Hotel
Sale Date:	Q1 / 2013
Sale Price:	€21m
Initial Yield:	10.9%
Term Certain:	c. 26 years
Size:	253 bedrooms
Vendor / Agent:	Davy Private Clients / Savills
Purchaser / Advisor:	P&C / Unadvised
<p>3 star hotel incorporating 253 bedrooms, dining and leisure facilities. The property is let to Jurys Inns Group Ltd on a 35 year lease from 2004 with a current passing rent of approx. €2,390,000 per annum.</p>	



Source: Savills

Loan Sales

Loan sales continue to be an active component of the market in 2013 following a number of successful transactions in 2012. The continuing requirement to deleverage will see more loan sales throughout the remainder of 2013.

TABLE 14
Top Loan Portfolio Sales in 2013

Name	Vendor	Purchaser	No. of Assets	Loan Price	Price Paid	Haircut
Project Aspen	NAMA	Starwood Capital Group, Key Capital Real Estate & Catalyst Capital	39	€810 m	€200 m	75%

Source: Savills

CONCLUSIONS

■ Despite challenging economic conditions in the opening months of 2013, the resurgence in real estate investment continued to gather momentum, with €610m of property sold in the first half of the year. With economic conditions and the public finances now improving, and with continued strong demand for Irish real estate investments, total turnover for the year is set to exceed €1.5bn. Significant further deleveraging is set to take place, and with an increasingly broad-base of investors

seeking opportunities in Ireland, we expect the investment market to remain strong over the coming quarters. Key trends for the remaining months of this year will be a continued focus on prime office opportunities in Dublin, ongoing demand for multi-family investments where quality assets become available, and a number of important loan sales such as those by IBRC which are due to come to the market.

Savills Research

Please contact us for further information



John McCartney
 Director of Research
 Savills Ireland
 +353 (0) 1 618 1427
 john.mccartney@savills.ie



Domhnaill O'Sullivan
 Director, Investments
 Savills Ireland
 +353 (0) 1 618 1364
 domhnaill.osullivan@savills.ie



Fergus O'Farrell
 Director, Investments
 Savills Ireland
 +353 (0) 1 618 1311
 fergus.ofarrell@savills.ie

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