

# Q4 2019

## QUARTERLY UPDATE

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€115m acquisition of No. 3 Dublin Landings, a 120,000 sq ft Grade A office building

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NAV of the IPUT Property Fund stands at €2.75bn

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Unit 1 Dublin Airport Logistics Park, 185,000 sq ft letting completed to Geodis

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New income created of €4.2m through leasing and rent reviews

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**Pictured:** No. 3 Dublin Landings



# Overview

## Net Asset Value

€2.75bn

## Total Shareholder Return in Q4

0.53%

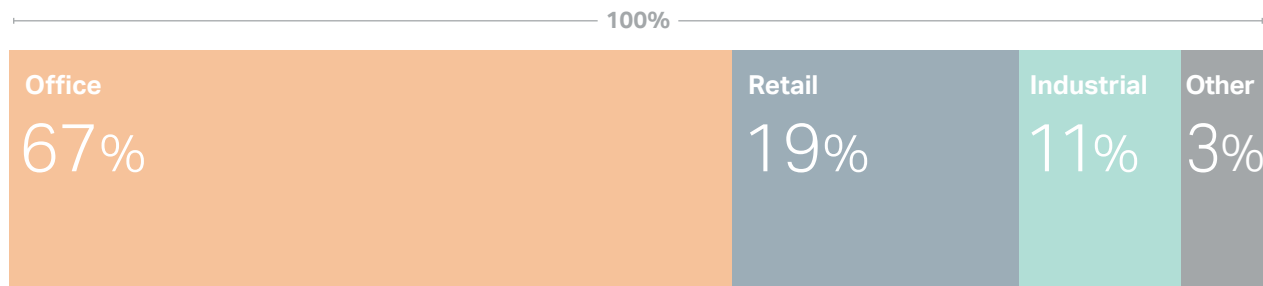
## Dividend Yield 12 months to 31/12/19

4.15%

## Q4 Dividend Per Share

€11.50

## Portfolio by Asset Mix



97% of portfolio located in Dublin (by value)

# Performance

Total shareholder return for the quarter was 0.53% and 5.10% for the 12 months to the end of December 2019.

## Share Price Information

	30 June 19	30 Sept 19	31 Dec 2019
Offer Price Per Share	€1,131.12	€1,137.00	<b>€1,131.15</b>
NAV Per Share	€1,108.95	€1,114.71	<b>€1,108.97</b>
Repurchase Price Per Share	€1,092.31	€1,097.99	<b>€1,092.34</b>
Dividend Per Share	€11.50	€11.50	<b>€11.50</b>
Distribution Date	05/07/2019	07/10/2019	<b>08/01/2020</b>

Stamp Duty was increased from 6% to 7.5% in October 2019 resulting in negative capital growth this quarter. This stamp duty increase would have reduced the capital value of the Fund by €37.8m or -1.36%. However, due to capital value growth derived from ongoing and recently completed added value projects including One Wilton Park and Unit 1 Dublin Airport Logistics Park and yield compression

in the office and logistics sectors, this decrease was limited to -0.52%.

The Fund collected €31.12m of rental income and distributed €26.98m (€11.50 per share) to investors in the quarter. This reflects a 12-month dividend yield of 4.15% (based on average NAV) to 31 December 2019.

## Capital Value Change

-0.52%

## Occupancy

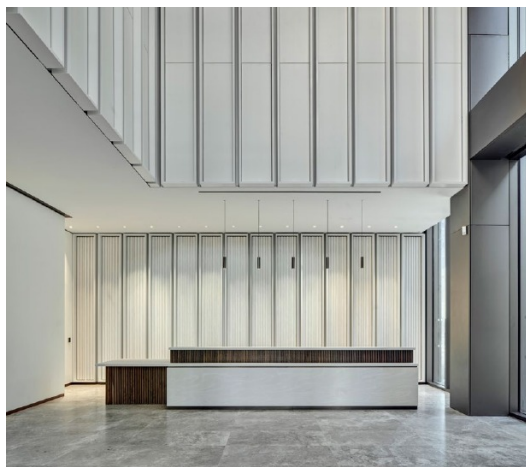
99.9%

## WAULT

7 Years

# Transaction Activity

Over the course of 2019 the Fund has committed over €362m of capital to acquisitions.



**Pictured clockwise from top left:** No. 3 Dublin Landings, Dublin 1; Reception No. 3 Dublin Landings, Dublin 1; Dublin Landings Scheme.

## Q4 Transaction Highlight

The Fund has exchanged contracts to acquire No. 3 Dublin Landings on Dublin's North Quays from Ballymore / Oxley for €115m in an off-market transaction. Following the transaction, IPUT's Dublin office portfolio will increase to 2.1 million sq ft (195,000 sq m) with an additional 240,000 sq ft (22,300 sq m) currently under construction, including One Wilton Park and Tropical Fruit Warehouse city centre developments.

No. 3 Dublin Landings is a Grade A office building which extends to 120,000 sq ft (11,150 sq m) of space set over five storeys, lower ground floor and basement, including 33 car parking spaces and 154 bicycle spaces.

No. 3 Dublin Landings will be finished to LEED Platinum standard and represents the last office building to be completed in the 1 million sq ft (92,900 sq m) Dublin Landings scheme. The mixed-use scheme is anchored by the National Treasury Management Agency of Ireland (NTMA) and other Government agencies and comprises 750,000 sq ft (70,000 sq m) of office space, over 270 high-end residential apartments, ancillary retail and leisure offerings and a boutique hotel.

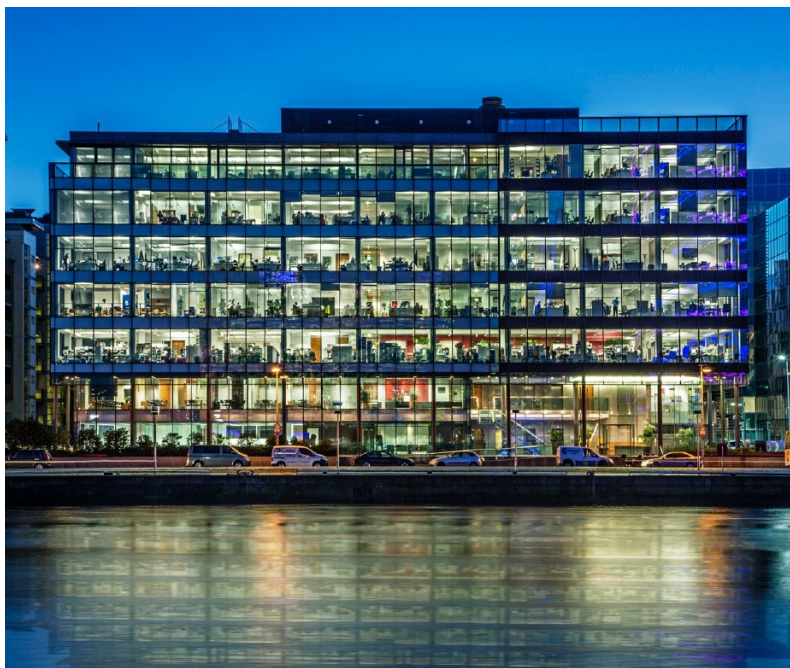
The Luas red line runs adjacent to the northern boundary of the building, while the IFSC, the Convention Centre and landmark Samuel Beckett Bridge, leading to Dublin's South Docks, are all within a 10-minute walk.

Occupier appetite, particularly for Grade A offices, remains buoyant in Dublin and IPUT is best placed to leverage tenant relationships to maximise the leasing potential of No. 3 Dublin Landings, while also delivering enhanced returns for the Fund's shareholders.

This acquisition will complete in Q1 2020.



# Active Management



**Pictured clockwise from top left:** Riverside Two, Dublin 2; The Exchange, IFSC, Dublin 1; Unit 1 Dublin Airport Logistics Park, Co. Dublin.

## The Asset Management Team actively engages with existing occupiers in order to maximise lease term and income.

### Leasing Activity

A new 20-year lease has been signed with Geodis SA for Unit 1 Dublin Airport Logistics Park, a modern logistics building which extends to 185,000 sq ft. The building was acquired with vacant possession in Q1 2019 and a substantial programme of works was initiated to upgrade the building to meet the highest international logistics standards prior to the pre-letting being achieved. Geodis SA is a global logistics operator which is owned by SNCF.

A significant lease extension has been signed with BNY Mellon on 40,000 sq ft of office space at Riverside Two, Sir John Rogerson's Quay, Dublin 2. Riverside Two is a riverfront Grade A office building acquired by IPUT in 2013 and this lease extension will see BNY Mellon remain in occupation until 2025 and secures over €2.3m of core portfolio income.

As part of the deal the Fund has secured a fixed rental uplift at the next rent review and agreed to take a surrender of the penthouse floor from January 2021. The leasing prospects for this penthouse floor on the riverfront are very strong.

A new 25-year lease has been signed with A&L Goodbody Solicitors on the 2nd floor of The Exchange, IFSC, Dublin 1 which extends to 19,200 sq ft. A&L Goodbody is an existing occupier within the IPUT portfolio in their HQ building at North Wall Quay which is situated nearby. The Fund's extensive Grade A office portfolio ensures tenant expansion can be met, facilitating future growth opportunities.

A new lease has been signed with Comgest in 2 Hume Street, Dublin 2. This brings their presence in the St. Stephen's Green estate to over 8,200 sq ft and IPUT is pleased to be able to accommodate their continued expansion within the Fund's portfolio.

Comgest is a global financial asset manager with offices in Europe, Asia and the USA.

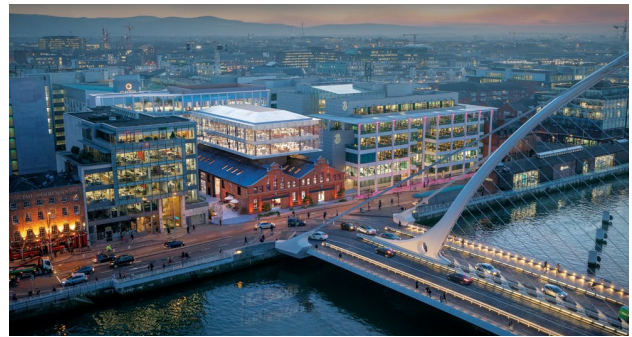
Total income generated during Q4 2019 through leasing activity was €3.4m per annum.

### Rent Reviews

Three significant rent reviews were completed in Q4, all of which were determined by third party arbitration with favourable results for the Fund.

Rent reviews completed this quarter include Unit 1 Rosemount Business Park which is a logistics facility occupied by Dunnes Stores extending to over 275,000 sq ft; TK Maxx in Carrickmines Retail Park and Massimo Dutti at 65/66 Grafton Street. The total increase to the Fund's income following settlement of these rent reviews is in excess of €800,000 per annum.

# Development Activity



**Pictured clockwise from top left:** Sub-basement at One Wilton Park, Dublin 2; Wilton Park Estate, Dublin 2; Tropical Fruit Warehouse, Dublin 2.

## One Wilton Park, Dublin 2

There has been significant progress on site with the sub-basement and basement level structure now complete. The precast concrete cores are rising on-site and steel installation will begin in early 2020. As previously reported, this building has been pre-let to LinkedIn and practical completion is expected in Q1 2021.

**“ The next phase of construction at the Wilton Park Estate will commence in January 2020 with the demolition of Wilton Park House. ”**

## Two, Three & Four Wilton Park, Dublin 2

The next phase of construction at the Wilton Park Estate will commence in January 2020 with the demolition of Wilton Park House. This second phase of development which will deliver Two & Three Wilton Park will extend to over 300,000 sq ft comprising predominantly Grade A office space and will be completed in 2022.

Gardner House will remain fully income producing until One Wilton Park reaches completion when it will be demolished to allow for the construction of Four Wilton Park extending to 150,000 sq ft.

Two, Three & Four Wilton Park are targeting LEED Platinum and WiredScore Platinum certification and will be Well Gold enabled.

## Tropical Fruit Warehouse, Dublin 2

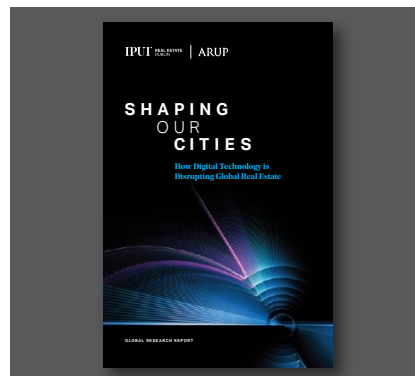
The sub-basement structure is now complete, and the first basement slab has been poured. Construction of the structural steel frame which will accommodate the feature glass box has commenced and the project remains on track for completion in Q2 2021.

## Dublin Airport Logistics Park, Co. Dublin

The upgrade and refurbishment of this 185,000 sq ft logistics facility was completed in December 2019 and has recently been let on a long-term lease to Geodis as outlined above.



# Environmental, Social and Governance



Pictured clockwise from top left: Earlsfort Terrace Gardens, Dublin 2; Niall Gaffney speaking at *Shaping Our Cities* launch event.

## Shaping Our Cities

Earlier in 2019, IPUT commissioned ARUP to prepare a report entitled '*Shaping Our Cities – How Digital Technology is Disrupting Global Real Estate*' as part of the Fund's Thought Leadership series. The report included input from a variety of global industry stakeholders, including some of the Fund's larger shareholders and occupiers.

The report was launched in November at an event in the Royal Hibernian Academy to 200 industry stakeholders and included presentations from IPUT CEO, Niall Gaffney and Lean Doody of ARUP together with panel contributions from Alexander Gebauer of Allianz Global Real Estate and Jim Morgensen of LinkedIn.



Download the report:  
[iput.ie/shaping-our-cities](http://iput.ie/shaping-our-cities)

The report considers how advances in technology – in particular in relation to the construction and operation of Grade A real estate – and an increasing focus on sustainability are impacting the global real estate industry.

The report is part of IPUT's commitment to be at the forefront of positive change in the sustainability of real estate development and a market leader in the adoption of technological advances.

**"The report considers how advances in technology – in particular in relation to the construction and operation of Grade A real estate – and an increasing focus on sustainability are impacting the global real estate industry."**

## Earlsfort Gardens

The Robert Townshend designed Earlsfort Terrace Gardens have recently been completed and are already in use by the various occupiers in Earlsfort Terrace. IPUT hosted an event in the gardens in October which was an opportunity for all occupiers within the Earlsfort Terrace estate to meet with each other and the IPUT Asset Services Team; and enjoy the gardens and live music.

Earlsfort Gardens is a best in class example of creating a public realm which creates a point of difference for a city centre office development and adds to biodiversity in an urban landscape.

*In line with IPUT's sustainability strategy, the 2019 Annual Report will be distributed by soft copy.*

**IPUT is Ireland's leading property company and the largest owner of office and logistics assets in Dublin. We are a long-term investor with a 50-year track record in real estate.**

**IPUT** REAL ESTATE  
DUBLIN

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