

Q3₂₀₂₁

Portfolio value reaches €3 billion

Published Pathway to
Net Zero 2030

Paid dividend of €26 million

Pre-letting of 120,000 sq ft
of logistics

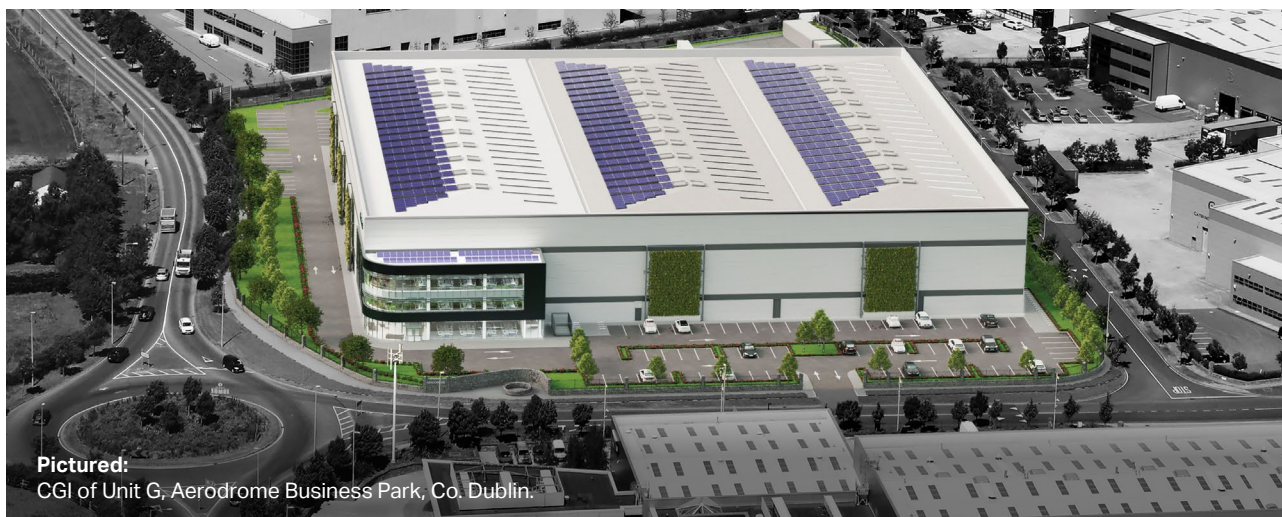
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Pictured: Tropical Fruit Warehouse
illustration by Dermot Flynn



Outlook

There has been a strong recovery in the economy since the lockdown was eased in late spring. Economic growth of 6.3% was achieved in quarter two, the highest growth rate seen across Europe. This has been fuelled by consumer spending and a ramp up in construction activity.



Pictured:
CGI of Unit G, Aerodrome Business Park, Co. Dublin.

The economy

Spending on goods and services was up by 12.6%, construction activity by 22.9% and the industrial sector by 3.6%. While the recovery is coming from a low base due to the lockdown in quarter one, modified domestic demand (excluding multinational activity) is forecast to be approximately 5.5% for 2021, compared to -4.9% in 2020.

The commercial property market has seen similar trends. Take-up of offices reached 665,000 sq ft for the first nine months of 2021, however, momentum does appear to be building and we understand that over 1.1 million sq ft is currently reserved. Ultimately, until there is a widespread return to the office, potential occupiers appear to be delaying decisions to take additional space.

Irish households saw the biggest increase in savings in the EU during the pandemic and the bounce which is evident in consumer spending bodes well for our retail portfolio. Our retail parks are at full occupancy and footfall is back to 2019 levels.

There is increased demand for logistics properties from a variety of occupiers. In this quarter, we pre-let Unit G at Aerodrome Business

Park to Life Style Sports, which is currently under construction. We intend to capitalise on this demand by accelerating our development programme.

Our portfolio

Our development programme is progressing well and we estimate it will add approximately €40 million per annum of additional income when complete, with 83% now pre-let. Our development programme enables us to continually upgrade the portfolio and grow income.

In addition, the recent logistics land acquisition near Dublin Airport brings our land holding to approximately 105 acres. In line with our strategic objective, this land will enable us expand logistics weightings from 12% to approximately 16% in the coming years.

We expect to add a further 1.4 million sq ft of modern logistics assets (subject to planning permission on the recent land acquisition).

We pride ourselves on the quality of the portfolio and our sustainability agenda. In 2020, we made a commitment to achieve net zero carbon by 2030 and are delighted to have recently launched our pathway to deliver on this commitment.

This will form the backbone of our build-to-core strategy in the years ahead. We believe the portfolio offers an organic pipeline to continue to renew and upgrade assets and this responsible investment strategy will ensure we can maintain stable returns for the long term.

" We estimate our logistics pipeline can grow income by an additional €12 million per annum. "

Corporate positioning

We now look forward with optimism to the final quarter and beyond. We continue to out-perform the MSCI real estate benchmark, over each time period, and expect our total shareholder return for 2021 will be in line with our long-term target. In addition, rent collection has stabilised at over 98%, which has enabled us to increase the dividend for the quarter to €26 million or €10.50 per share. As always, we adopt a prudent approach to balance sheet management and our current loan to value is 10%.

Portfolio Overview

Portfolio Value

€3bn

Contracted Rental Income

€115m

Occupancy

92%

WAULT

6.5 Years

Portfolio by asset mix

98% located in Dublin by value



Q3 highlights



Pictured: Deloitte House and Garryard House, Dublin 2

Capital recycling

We recently acquired Garryard House, Dublin 2, which adjoins Deloitte House, an existing IPUT asset on Earlsfort Terrace. The combined site has planning permission to re-develop a new office scheme of 190,000 sq ft. We will continue to let Garryard House in the short term and look at the re-development options once all leases have expired.

We continue to re-position the portfolio and recycle assets that no longer fit our responsible investment strategy. In the last quarter, we disposed of two suburban office assets, Block 5 & 9 Richview Office Park, Dublin 14, which brings our total disposals to €51 million in 2021.

Occupier demand

With employees starting to return to the office, letting activity is picking up. At No. 3 Dublin Landings, Dublin 1, two floors totalling 26,900 sq ft have been reserved and once leases have been signed, the occupancy will rise to 60% of the building.

At Block 2 Waterside, Dublin 24 we have completed a lease renewal to software manufacturer SAP for 10 years, securing €730,000 per annum of additional income.

Logistics letting activity

Unit G, Aerodrome Business Park, Co. Dublin, is currently under construction and scheduled to achieve practical completion in November. This unit has just been pre-let to Life Style Sports for 25 years with a break option in year 12.

At Unit C, North Dublin Corporate Park, we have just completed a letting to Arkray Pharmaceuticals on a 10-year term. Both of these lettings will add to our weighted average unexpired lease term (WAULT) and will generate an additional €1.4 million per annum of income for the Fund and bring our logistics portfolio to full occupancy.

Performance

Net asset value (NAV) in the period remained stable at €2.7bn. Total shareholder return was 1.65% which was driven by an income return of 0.96% and capital return of 0.69%. This resulted in a total shareholder return for the 12 months to 30 September 2021 of 4.37%.

Q3 2021

Net asset value	Quarterly dividend	Annualised dividend yield	Quarterly shareholder return
€2.7bn	€26.0m	3.8%	1.65%

Share price information

	30 Jun 2021	30 Sept 2021	Key dates
Offer price per share	€1,112.81	€1,120.44	NAV announcement – Q3 2021 1 October 2021
NAV per share	€1,090.99	€1,098.47	Dividend payment – Q3 2021 7 October 2021
Repurchase price per share	€1,074.62	€1,081.99	NAV announcement – Q4 2021 4 January 2022
Dividend per share	€10.00	€10.50	Dividend payment – Q4 2021 10 January 2022
Distribution date	07/07/2021	07/10/2021	

For the first time in the history of IPUT the value of the portfolio has reached €3 billion. This represents a 0.65% net capital value increase in the standing portfolio over Q2 2021 (including gains from disposals).

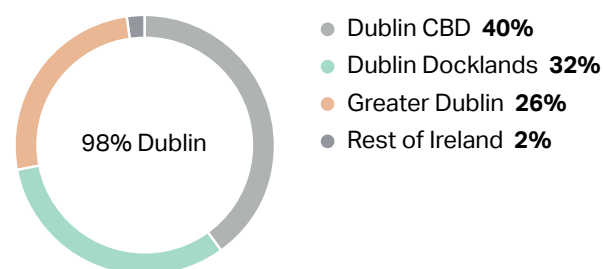
Occupancy fell to 92% in Q3 following a number of anticipated lease expiries in the office and retail sectors. However, we expect to see the vacancy rate decrease over the coming months as a number of leasing deals complete.

The value of the office portfolio remained stable this quarter with positive movement across our developments at Wilton Park.

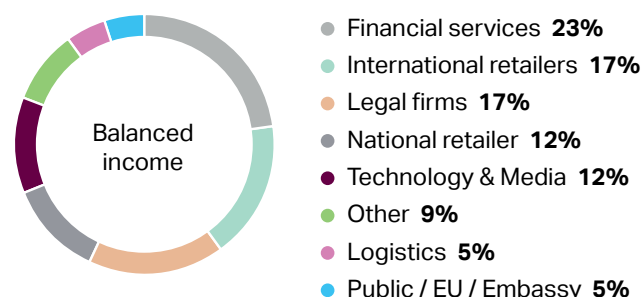
The value of the retail portfolio decreased marginally by 0.7%. Following value declines for 12 months, stability now appears to be emerging. The retail park assets remained robust due to a number of positive rent review outcomes and asset management initiatives.

The logistics portfolio was the strongest performing sector again this quarter benefiting from yield compression, positive ERV movement and a number of leasing transactions. Our logistic developments that are currently on site continued to deliver value this quarter with the overall logistics portfolio increasing in value by over 7% quarter on quarter. We are anticipating that this positive momentum will continue over the next number of quarters.

Portfolio by Location



Occupiers by Sector



NETZERO2030

GREENING OUR PORTFOLIO

Our net zero commitment

Our goal is to build long-term resilience into our estate. An authentic commitment to sustainability is central to building that resilience. In publishing our pathway to net zero, we are committing to a range of initiatives; acting now to create better places in our city and to make a positive contribution to climate action.

One of our key initiatives is the establishment of a transition fund which will launch in January 2022. The fund, financed by an internal carbon levy, will support research into low carbon technologies and also upscale our supply chain, adding value for our occupiers, many of whom are also working towards net zero emissions.

This demonstrates our leadership in the Irish real estate market by advocating innovation and sustainable practices within our supply chain. Our carbon levy also ensures that net zero carbon targets are embedded into decision-making across the business.

Reducing embodied carbon

Embodied carbon emissions from our development projects are the largest contributor to our carbon footprint. We are aiming for a 40% reduction in embodied carbon emissions by 2030.

TARGET

40%

reduction in embodied carbon emissions by 2030



Reducing building energy intensity

We have set ambitious targets to improve energy intensity in both the landlord-managed and occupied areas of our assets.

TARGET

33%

reduction in energy intensity by 2025



Increasing renewable energy

We are already designing and delivering all-electric developments and procuring 100% renewable electricity for areas within our direct control.

TARGET

100%

occupier renewable electricity by 2025



Offsetting our residual emissions

We are following best practice when offsetting through the voluntary carbon market and will support carbon removal projects that are well-managed, credible and where the additional impact is verified.

CARBON LEVY

€80

internal carbon levy per tonne of embodied carbon emissions generated in our developments



To download our report and learn more visit:
iput.com/net-zero

Responsibility

'Magnus V' by Joseph Walsh

As part of our commitment to public art we commissioned Irish designer, Joseph Walsh to create a major art installation for the reception of our building at 10 Molesworth Street.

The piece was installed at the end of the summer and is available for viewing by visitors to the building and the public.

"Magnus is a drawing in air, an idea. An emotion expressed through form that is serene and complex, created to engage with us in a physical and intuitive way."

– Joseph Walsh



Pictured: 'Magnus V' on view at 10 Molesworth Street, Dublin 2.



Beehives at The Exchange

We distributed Beebomb packets of native Irish wildflower seedballs to our occupiers and also included them at the various IPUT gardens in our portfolio. They are designed to promote biodiversity and to #bringthebeesback. In addition, at The Exchange building, we continue to add more "honey supers" to our beehives. These are boxes that contain frames for the honeybees to store nectar.

6-7 St. Stephen's Green A platform for art & design

As part of our commitment to enhancing the public realm, we are hosting an exhibition in the windows of our property at 6-7 St. Stephen's Green, promoting the 191st RHA Annual Exhibition 2021, which runs until October 30th.

Featured is 'Plunge' by Vera Klute and 'Pleasure Scapes' by Barbara Knezevic.

To learn more about our placemaking initiatives visit: iput.com/placemaking



Activity

Development

Despite the lockdown in early 2021, which stopped all construction for over four months, all sites are back to full capacity and progressing well. There are industry shortages of materials and labour, which we are actively managing. In addition, in line with our responsible investment agenda, we have commenced a number of smaller upgrade works across the standing portfolio.



WILTON PARK

One Wilton Park

We are on schedule to achieve practical completion in the coming weeks at One Wilton Park. LinkedIn have taken control of five floors and commenced fit out works. Works have also begun to the public realm around the perimeter of the site.

Two - Four Wilton Park

Piling works were completed in September and the development is progressing in line with our programme. The super-structure construction from ground up is scheduled to begin in early 2022.



Pictured Above: CGI of Styne House, Dublin 2.



Tropical Fruit Warehouse

The glazing to the glass box is now complete, and the installation of the refurbished trusses to the warehouse and roof is underway.

This 80,000 sq ft office project is on schedule to achieve practical completion in spring 2022.

Other projects

Following the successful letting to Life Style sports at Aerodrome Logistics Park, we have started on site with the 160,000 sq ft Unit Q, which is due to complete in Q3 2022. We are progressing well with the extension to the Musgrave facility at Blanchardstown Corporate Park, which is due to complete in spring 2022. At Quantum Distribution Park, enabling works have started on site.

Additional projects include upgrade works at Styne House, where the facade on this office building will be replaced, end of trip facilities installed and a café constructed at street level. We are also near completion of a link road at Carrickmines Park.

Rent reviews and deeds of variation

In this quarter, we settled two rent reviews at Airside Retail Park with McGuirk's Golf and Michael Murphy Furniture. We also agreed three deeds of variation in the retail portfolio, securing €900,000 of income for a blended term of 4.7 years.

CARRICKMINES PARK

Website launch

We recently launched a new website for Carrickmines Park at carrickminespark.com.

The new website reflects the significant investment made to the onsite branding and repositions Carrickmines Park as a premium retail destination.



We are Ireland's leading commercial property investment company and the largest owner of offices and logistics assets in Dublin. We are a long term investor with an over 50-year track record in real estate. We own and manage a portfolio comprising over 5 million sq ft, with a net asset value of €2.7 billion.

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DUBLIN

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