

Q4

2023

INVESTOR UPDATE

New lettings in our
'Making it Work' flex offering

Property Fund Manager
of the Year award

Launch of **'Making Impact'**
research series

Q4 dividend of **€26.2 million**
equating to **€11.50 per share**

Pictured:
'Wave Junction' by Ruth Lyons
at Quantum Logistics Park

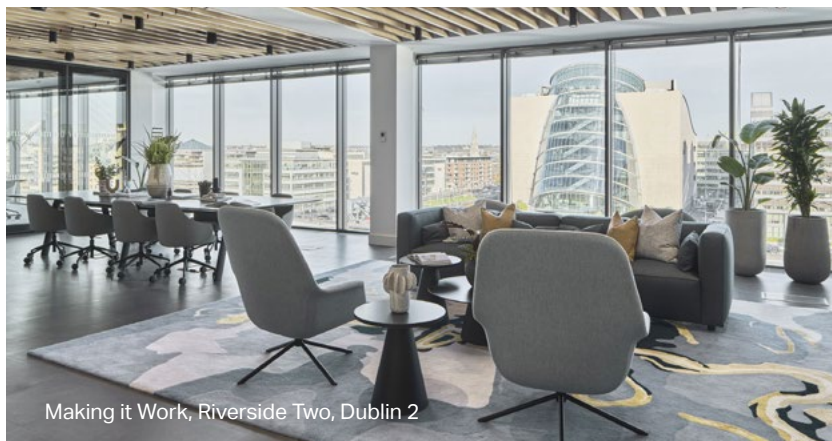
Highlights

Property Fund Manager of the Year

We were delighted to be awarded 'Property Fund Manager of the Year' for the second year running at the KPMG Irish Independent Property Industry Excellence Awards. The awards ceremony was held in the Convention Centre on November 23rd. Henry J Lyons were also winners on the night, having been awarded the Architecture award for our office development at the Tropical Fruit Warehouse.



IPUT's Michael Clarke, Caroline McCarthy, Zara Walsh and Niall Gaffney with Paul Muldoon of MediaHuis



Making it Work, Riverside Two, Dublin 2

Two new lettings at Making it Work

In Q4, Making it Work welcomed two new occupiers at Riverside Two and Styne House, bringing 2023's total to five new customers which between them occupy 40,457 sq ft.

Launched in 2022, our flex office space now extends to 46,000 sq ft across seven spaces. Our ambition is to grow our flex offering to 5% of our office portfolio by 2025.



**Making
it Work.**

Office disposal

In line with our strategic plan to dispose of smaller non-core assets, we recently sold two 1980's office buildings at 73-89 Lower Mount Street, Dublin 2.

These buildings extend to more than 60,000 sq ft and are leased to the Office of Public Works.



73-89 Lower Mount Street, Dublin 2

Portfolio value

€2.8bn

Contracted rental income

€131m

Loan to value

25%

WAULT

6 Years

Highlights

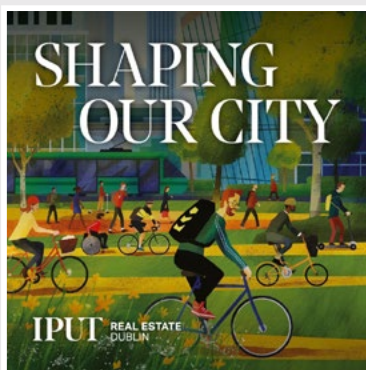


'Wave Junction' at Quantum Logistics Park

Public art at Quantum Logistics Park

A Ruth Lyons commissioned art piece at Quantum Logistics Park was recently installed adding to the scheme's amenities.

The piece titled '*Wave Junction*', standing 7 metres high by 11 metres wide, is constructed of charred accoya timber and incorporates a dark curved concrete bench. The installation has been well received by occupiers and visitors to the logistics park.



The new IPUT podcast

We recently launched our new podcast, *Shaping Our City*, which we will use to discuss topical issues affecting the built environment and the vitality of cities. Through this podcast, we will bring together a variety of city stakeholders to speak about the future of work, life, and place which will complement our ongoing thought leadership and research.

Episodes are available on our website, Spotify, Apple Podcasts, and other podcast services.



Click here to listen
iput.com/podcasts



Marie Hunt, IPUT's Head of Research, at '*Making Impact*' launch event at One Wilton Park

'Making Impact' report launch

In the quarter we published the first report in our '*Making Impact*' research series at an event for the local community and other stakeholders at LinkedIn's community space at One Wilton Park. The report, featuring the findings from our first year's research at Wilton Park, is a groundbreaking piece of research focussing on measuring the impact on the local neighbourhood and wider city of our investment in various social, cultural, environmental, and economic initiatives. Representatives from the project team from Hassell, PRD and Gehl were all in attendance. We are planning a further launch event in London on 23rd January and work has commenced already on Year Two of this research.

If you are interested in attending this London event, please email SíleBríd Lehane at slehane@iput.com to register.



Click here to learn more
iput.com/making-impact

Performance

Q4 2023

The Fund collected 100% of rent in the fourth quarter which enabled a cash dividend distribution of €26.2 million or €11.50 per share. During 2023, we paid out €107 million in cash dividends.

Gross asset value

€2.8bn

Quarterly dividend

€26.2m

Annualised dividend yield

4.8%

Quarterly shareholder return

-5.3%

The value of the property portfolio is €2.8bn, a decrease of -4.5% on the quarter. The decline in values across all sectors is a result of yields moving out again this quarter, in particular in the office sector where the prime market yield is now 5%.

We recorded a decrease in capital value of -5.9% within our office portfolio due to the continued inflationary pressure on property yields coupled with the lack of transactional evidence.

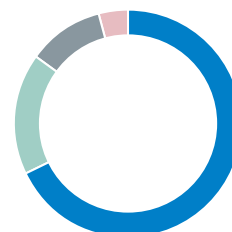
The retail portfolio followed a similar trend with yields pushing out further this quarter and capital values contracting by -3.7%.

The logistics portfolio recorded a positive rental value increase and a capital movement of +0.8%. The sector continued to demonstrate its resilience even with the current re-pricing. The Fund did record capital value decreases in older assets, with limited or no ESG credentials and shorter lease term remaining.

In Q4 2023, five rent reviews were completed at 6.3% ahead of the passing rent and more than 7% ahead of the ERV. There were three new office lettings completed in the final quarter of 2023, securing €1.38m of additional income for the Fund. As of year-end, the vacancy rate was 0.9%.

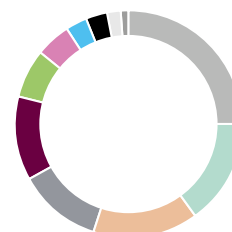
Portfolio by asset mix

- **68%** Office: €1,878 million
- **17%** Logistics: €480 million
- **11%** Retail: €299 million
- **4%** Other: €106 million



Occupiers by sector

- **25%** Financial & professional services
- **15%** Legal firms
- **15%** Technology & media
- **12%** International retailers
- **12%** National retailers
- **7%** Logistics
- **5%** Public / EU/ Embassy
- **3%** Pharmaceutical
- **3%** Other
- **2%** Property & construction
- **1%** Aviation



Share price information	31 Dec 2023	30 Sept 2023
Offer price per share	€883.75	€944.26
NAV per share	€866.42	€925.75
Repurchase price per share	€853.43	€911.86
Dividend per share	€11.50	€11.50

Key dates	
NAV announcement - Q4 2023	2 Jan 2024
Dividend payment - Q4 2023	8 Jan 2024
NAV announcement - Q1 2024	2 April 2024
Dividend payment - Q1 2024	8 April 2024

Responsibility

WOW for Simon 2023

We recently held our annual fundraising campaign for the Dublin Simon Community. The campaign was once again generously supported by consultants, contractors, and partners alike, with more than €930,000 raised since we first started supporting the charity in 2020.

In addition to the Simon Community, this year's campaign also raised funds for The Oasis Centre - an organisation that provides vital counselling services.



Pictured above:

IPUT's Tom Costello and Declan Kelly presenting cheque to Paula Garrett and Catherine Kenny of Dublin Simon Community



Christmas Fair at Earlsfort Gardens

Following on from the success of our Mini Food Festival in September, we hosted a Christmas Fair at Earlsfort Gardens on the evening of December 13th. Over 300 people from across our portfolio enjoyed complimentary Christmas treats and were entertained by the Dublin Gospel Choir.

Supply Chain Sustainability School

The Irish Supply Chain Sustainability School is a free learning platform, established to upskill those working in the Irish built environment, with training focused on sustainability issues. As a founding partner, IPUT is contributing to the school's funding and preparing content for this comprehensive training programme, which launches in January 2024. Supporting the school aligns with our ambition to lead by example in terms of our approach to sustainability. It will help us to advocate for more sustainable practices in our supply chain and help transform the wider built environment.

To learn more visit supplychainschool.ie

Conferences and events

We continue to participate in industry events and conferences to build awareness of our business and gain learnings.

Over the last quarter, we participated in several events including:

Expo Real conference in Munich

ULI C-Change Summit in Copenhagen

INREV Autumn conference in Amsterdam



Development

Construction work at Wilton Park, Dublin 2



WILTON PARK

Two-Four Wilton Park

Wilton Park is our 600,000 sq ft development in Dublin 2 which is pre-let to LinkedIn.

With electricity supply having been delivered in November, activity is continuing at pace on site with buildings Two, Three and Four due for practical completion by the end of February 2024.

The park's extensive restoration works have been progressing over recent months with planting due to commence in early spring. Both the park and Mary Lavin Place will be fully operational by early summer.



25 North Wall Quay

Our flagship headquarter office development at North Wall Quay, our first net zero office building, is progressing on schedule. Façade installation has continued over the last few months with the building progressing well and on schedule to complete by Q4 2024.

This 155,000 sq ft development is pre-let to A&L Goodbody.

FIFTEEN GEORGE'S QUAY

Fifteen George's Quay

This development is proceeding well and on programme for a practical completion date in Q2 2024.

We are adding two new floors which will increase the size of the building to 70,300 sq ft. Façade works are well underway with fit-out works to cores in progress and mechanical & electrical installation proceeding on programme.

50% of this building has been pre-let to Aon Ireland and we are actively marketing the remaining space.



Pictured above
CGI of rooftop garden at Fifteen George's Quay, Dublin 2

Outlook

Economy

Ireland's economy remains remarkably resilient despite the pace of interest rate hikes experienced in this cycle, with an Exchequer surplus of €1.2 billion achieved during 2023. With the European Central Bank expected to begin cutting rates during 2024, this bodes well for Ireland's medium term economic performance. Modified domestic demand, which is a better indicator of growth than the GDP measure due to the significance of the multinational sector, continues to expand, with growth of 2.2% forecast for 2024.

Employment growth remains particularly healthy having grown by over 4% in the year to the end of Q3 2023 when we reached a new record of 2.7 million people in employment. This is 13% higher than total employment volumes in the Irish economy before the onset of the pandemic, aided to a large degree by the resilience of the underlying domestic economy and notable population growth. Although the unemployment rate has increased to 4.8% compared to 4.7% at this time last year, the labour market in Ireland remains tight.

The Government's recent Budget has been described as 'balanced and appropriate for the current economy', with a commitment to continued investment in housing, infrastructure, and climate action initiatives to reinforce Ireland's attractiveness as a location for entrepreneurship and investment. From a long-term perspective, the establishment of two new sovereign wealth funds is noteworthy. Surplus corporation tax receipts, mostly derived from multinational companies, will be channelled into these funds, which will be managed by the NTMA. The bigger of the two - the Future Ireland Fund (FIF), which has the potential to grow to over €100bn by 2036, is intended to be used for longer-term spending from 2041 onwards. The second fund - The Infrastructure, Climate and Nature Fund (ICNF) - will ensure that the country can meet its climate objectives, even in the event of a deterioration in public finances. This fund is forecast to grow to approximately €14bn by 2030.



Wilton Park, Dublin 2

Property market

Over the course of Q4, the commercial property market continued to react to economic circumstances and in particular higher borrowing costs and inflationary pressures which stymied liquidity and transaction volumes throughout 2023. All sectors of the market continued to reprice during the quarter albeit in the absence of significant transactional evidence, with much of the investment activity recorded comprising relatively small lot sizes.

Office leasing activity remains below trend. However, the volume of outstanding requirements from professional services and financial firms is encouraging, particularly in the context of the strength of underlying jobs growth in the economy. No new office schemes are commencing, which is helping to insulate rental levels, particularly for the limited amount of the highest quality Grade A accommodation with superior ESG credentials (where demand is predominately focussed) that is ready for immediate occupation. A similar trend is evident in the logistics sector of the market where demand remains robust, and the availability of modern accommodation remains particularly tight.

The trajectory of interest rates will ultimately dictate the pace of a recovery to more normal trading patterns in 2024. With much focus on debt and refinancing anticipated in the near term, it will likely be H2 2024 before there is a meaningful improvement in market activity.

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 57-year track record in real estate. We own and manage a portfolio comprising over 5.1 million sq ft, with a gross asset value of €2.8 billion.

IPUT REAL ESTATE
DUBLIN

iput.com   

**SHAPING
OUR
CITY**