

CITY  
SQUARE



BER C3

# 61-64 MARLBOROUGH STREET DUBLIN 1

Prime Centrally Located  
Office Investment

Entire Let to An Bord Pleanála  
(Planning Appeals Board)



## INVESTMENT SUMMARY

- Centrally located office investment
- Entire property extends to 3,424 sq.m. (36,856 sq.ft.)
- 22 basement car parking spaces
- Rental Income €1,270,820 per annum
- Fully let to An Bord Pleanála (National Planning Appeals Board)
- 25-year lease from 22nd January 2002
- 11.25 years remaining to expiry (no break options)
- Five-yearly upward-only rent reviews (next review January 2017)
- For sale by Private Treaty (tenant not affected)
- Seeking offers in excess of €18,000,000 (reflecting a net initial yield of 6.76% after standard purchasers costs and a capital value of only €488 per sq.ft.)



Rental Income -  
**€1,270,820**  
per annum

# LOCATION

The property is situated on the corner of Marlborough Street and Findlater Place, just off O'Connell Street in the heart of Dublin city centre. Marlborough Street runs parallel to O'Connell Street which is the city's main thoroughfare and principal axis linking the north and south inner-city areas either side of the River Liffey. O'Connell Street is rich in historical and architectural landmarks including the GPO (General Post Office) and the Spire monument.

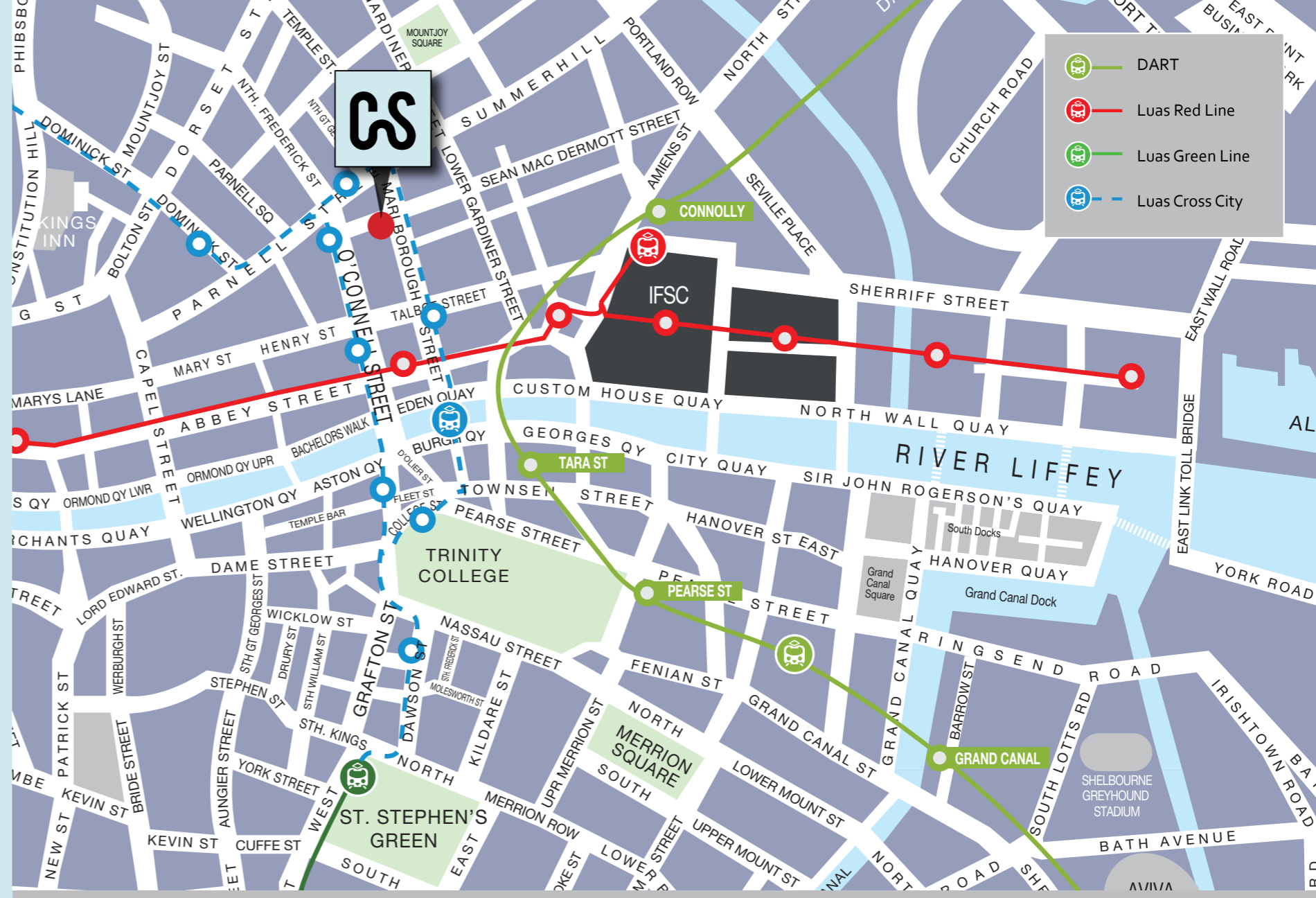
Neighbouring landmarks on Marlborough Street include the Pro-Cathedral, the Department of Education and Science, D.I.T. School of Culinary Arts and Food Technology, the Abbey Theatre and the Church of St. George and St. Thomas. The area is well-served for office staff including the major shopping destination of Henry Street (approx. 100m from the subject property) with major retail stores and centres including Arnotts, Debenhams, Ilac Centre, Jervis Street Centre, Penneys (Primark) and Easons.

# DEMOGRAPHICS

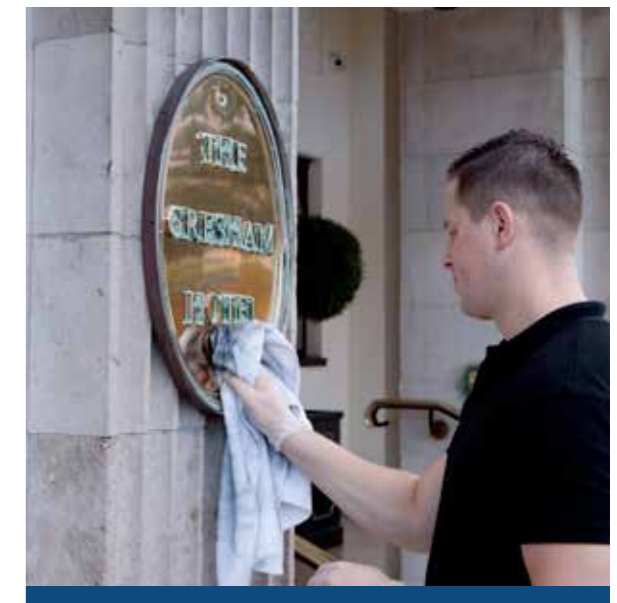
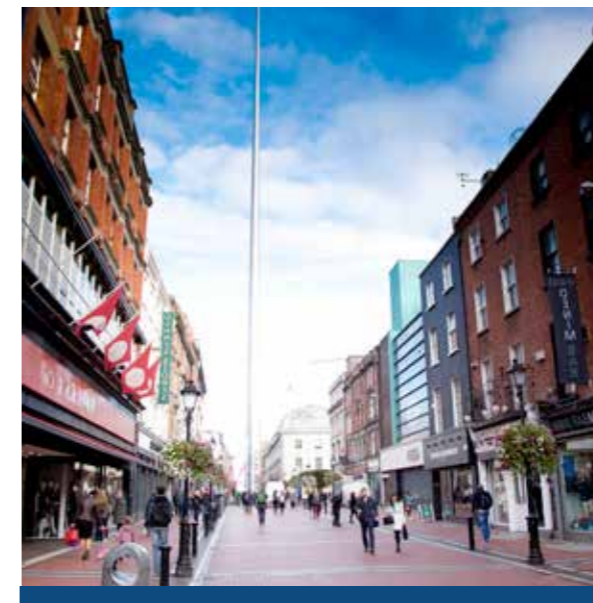
Dublin city centre has an estimated 1.1 million people living in the greater urban area. Dublin has a total catchment of 1.8 million (Census 2011). The city's population is expanding rapidly; it is estimated by the Central Statistics office (CSO) that it will reach 2.1 million by 2020.

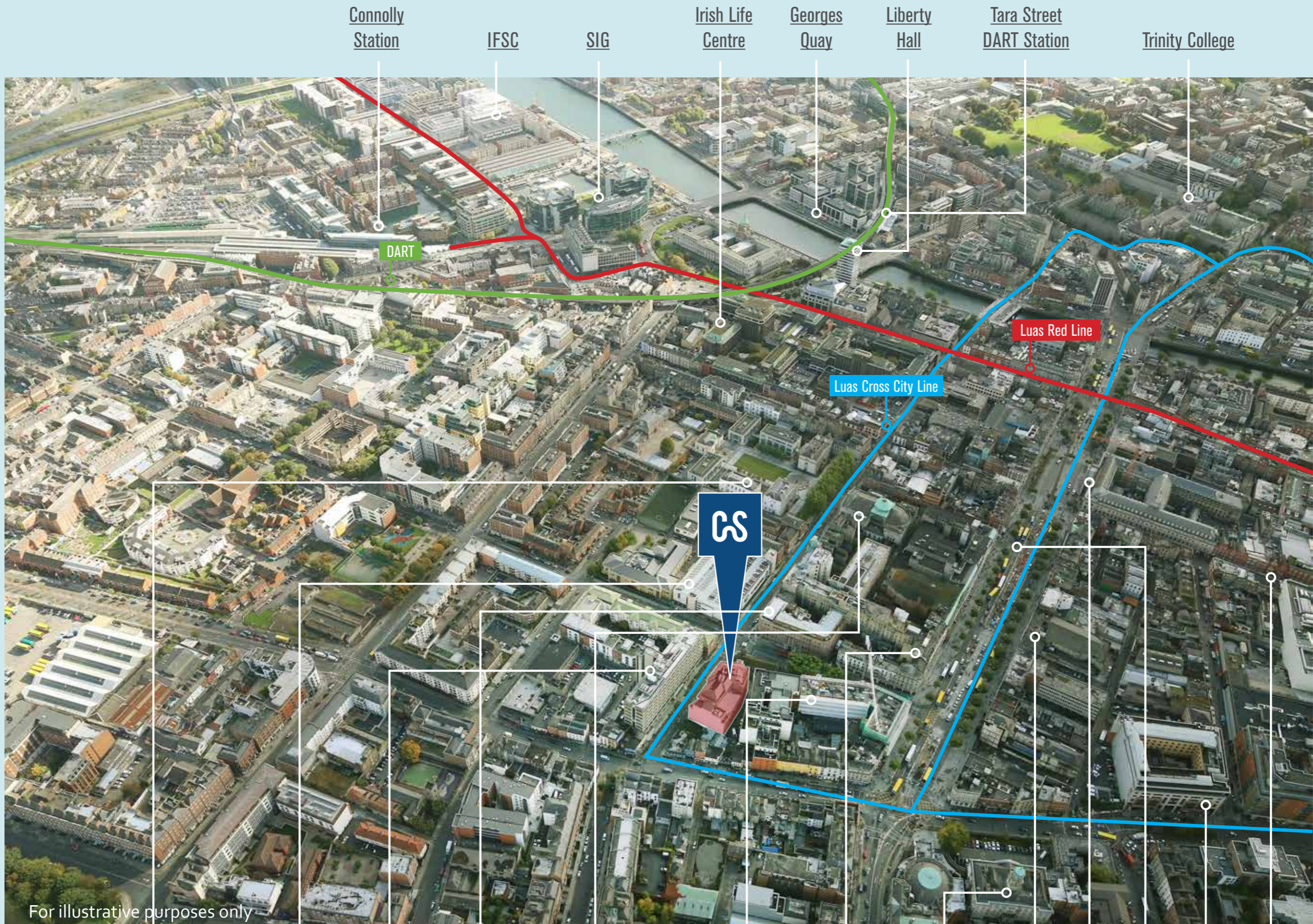
# TRANSPORT

Marlborough Street is extremely well-served by public transport, soon to be improved by the new Luas Cross City line (light rail train system) which will link the Green and Red lines. The southbound route of the Luas Cross City line will run in front of the building along Marlborough Street. The location is also within a 10-minute walk of the DART Station at Connolly and Tara Street and is extremely well-served by numerous cross city bus routes.



Not to scale. For illustrative purposes only





For illustrative purposes only

Department of Education and Skills

Clerys Q Park

Eir (Eircom)

DIT Cathal Brugha St.

St. Mary's Pro-Cathedral

Holiday Inn (under construction)

Gresham Hotel

Rotunda Hospital

Carlton Cinema Site

O'Connell St.

Henry St.

GPO

Jurys Inn

# THE PROPERTY

- Corner profile
- Third generation specification
- Air-conditioned, raised floors, quality fit-out
- Built 2002 by Piers Construction

- Attractive atrium
- Penthouse with wraparound terraces
- Maintained to highest standards
- Basement car parking

# DESCRIPTION

The property comprises a Grade 'A' office building constructed c. 2002 extending to approximately 3,424 sq.m. (36,856 sq.ft.) net internal area, excluding the basement. The building is laid-out over seven floors above a basement, which provides 22 car parking spaces.

The building has a public reception, large conference room and archive storage at ground floor level. There are six floors of offices above providing a mix

of open plan and partitioned offices, meeting rooms and boardroom at sixth floor level. There is a feature Atrium café/canteen at first floor level.

The accommodation is particularly bright and finished to a high standard with two eight-person passenger lifts. There are two former retail units situated at ground floor level which are in the process of being converted to office and archive storage use.

# ACCOMMODATION

Floor	Area sq.m. (N.I.A.)	Area sq.ft. (N.I.A.)
Ground	540.31	5,816
First Floor	676.22	7,279
Second Floor	530.61	5,711
Third Floor	529.41	5,699
Fourth Floor	528.42	5,688
Fifth Floor	387.04	4,166
Sixth Floor	232.00	2,497
<b>Total</b>	<b>3,424.01</b>	<b>36,856</b>

\*Floor areas based off ORS Consulting Engineers Full Assignable Measurement Survey

# BUILDING SPECIFICATIONS

The office accommodation is finished to a high standard specification to include:

- VRV Air Conditioning System
- Carpeted raised floors
- Suspended ceilings with recessed lighting
- Concrete frame construction
- Brick and glazed elevations
- Set back terraces at fifth and sixth floor levels
- Floor to ceiling heights of 2.5 m to 3.4 m
- Feature first floor Atrium café
- Basement car parking
- Two 8 person Kone lift



# TENANCY SCHEDULE

Tenant	Use	Lease area sq.m.	Lease area sq.ft.	Car spaces	Term (years)	Lease start	Lease expiry	Next rent review	Unexpired term (years)	Passing rent (€ pa)
An Bord Pleanála	Office, Stores	3,246.7	34,947	22	25	22.01.2002	21.01.2027	22.01.2017	11.25	€1,250,000
An Bord Pleanála	Office	128.7	1,385	-	11.25	Nov 2020	21.01.2027	Nov 2020	11.25	€20,820
<b>Annual Passing Rent</b>										<b>€1,270,820</b>

\*The above tenancy schedule contains floor areas stated in the respective lease documentation

# TENANCIES

## Lease One

The entire building (with the exception of two former retail units at ground floor level) is let to An Bord Pleanála on a 25-year full repairing and insuring lease from 22.01.2002 (expiring 21.01.2027). The passing rent is €1,250,000 per annum. The lease provides for five-yearly upward-only rent reviews, the next due on 22.01.2017. When analysed, the rent breaks back to €33.70 per sq.ft. (offices) €13.00 per sq.ft. (stores) and €3,200 per car space.

## Lease Two

The two former retail units (units 1 and 2) have been converted to offices and archive storage use (totalling c. 128.7 sq.m. / 1,385 sq.ft.). By Agreement of Lease,

dated 26<sup>th</sup> September 2014 these areas are to be let to An Bord Pleanála on a lease co-terminus with the main lease expiring 21st January 2027. The lease is conditional on completion of works to the premises by the landlord which will be completed prior to sale. The annual rent is to be €20,820 per annum (plus VAT) with five-yearly rent reviews. Part of the area has a five-year planning permission for use as an archive room. The landlord is to apply for planning permission for retention of the use. Should planning not be granted the tenant has the option to terminate the lease in respect of that portion (unit 2) on 1<sup>st</sup> May 2017.

**Total Annual Rental Income €1,270,820 p.a.**

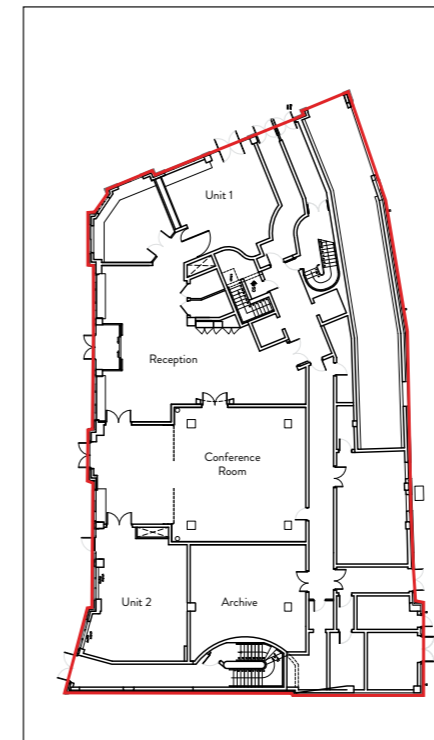
# COVENANT

An Bord Pleanála is the National Planning Appeals body. An Bord Pleanála was established in 1977 under the local government (Planning and Development) Act 1976. The state body is responsible for the determination of all planning appeals and also decisions in respect of Strategic Development Infrastructure including major road and railway projects.

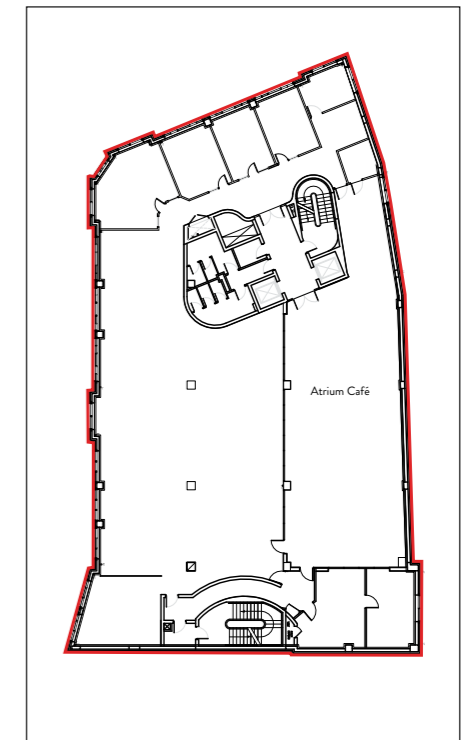
An Bord Pleanála is an independent national body. As a public sector organisation it is State-funded through a Central Exchequer Grant (supplemented by fee income).

# FLOOR PLANS

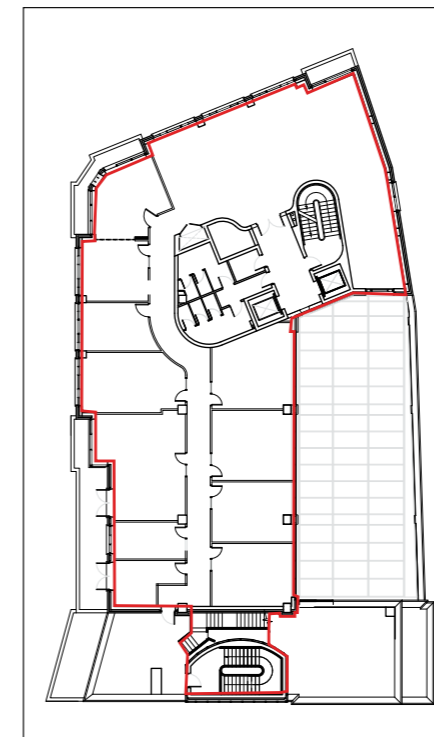
Ground Floor



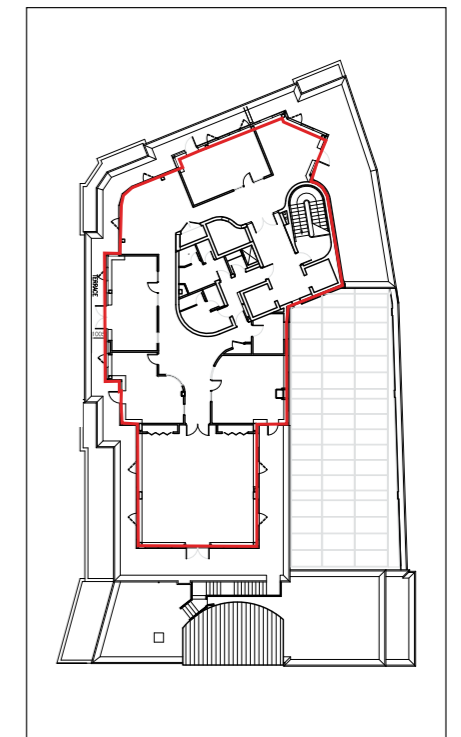
First Floor



Fifth Floor



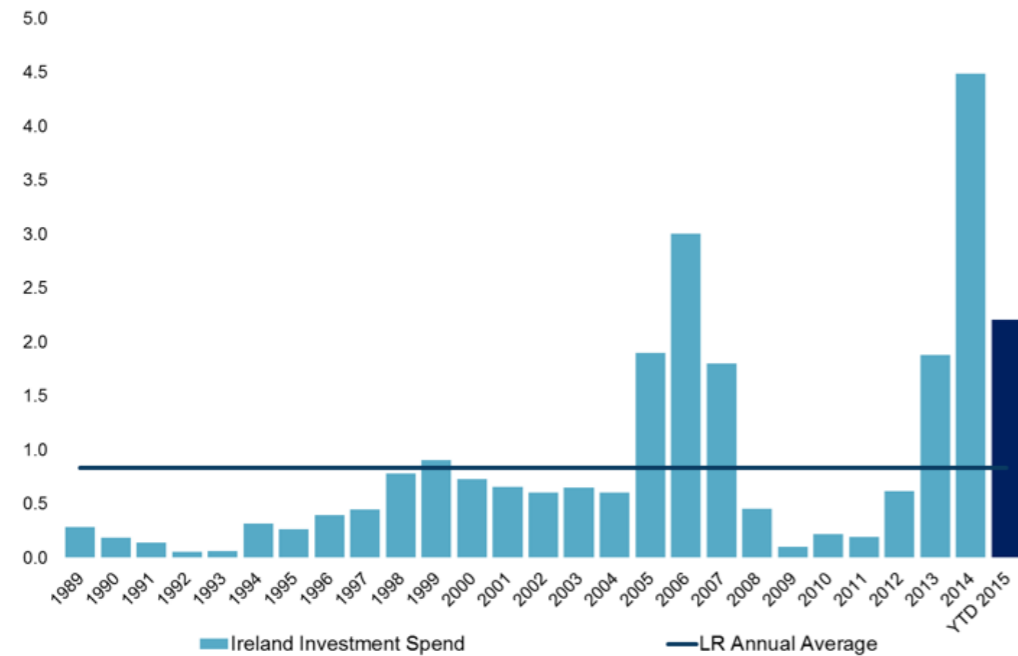
Sixth Floor



NOT TO SCALE. FOR ILLUSTRATIVE PURPOSES ONLY

# INVESTMENT MARKET

IRISH INVESTMENT MARKET TURNOVER, €B\*



Source: DTZ Sherry FitzGerald Research \*deals greater than €1m

The third quarter of 2015 saw approximately €500 million invested in the Irish property market, bringing total investment in the year to date to €2.2 billion. This compares to €2.9 billion in the same period in 2014, indicating a moderate slowdown in the pace of investment activity. That said, investment turnover for the year to date is still running well ahead of the long-run average.

The latest results from the IPD/SCSI Ireland Quarterly Property Index for the second quarter of 2015 reveal that total returns from investment property rose by 6.3% in the three months to June 2015, up from 4.3% returned in the first quarter of 2015. The strong performance during the quarter was underpinned by strong investor demand both internationally and domestically.

The office sector continued to lead the way, delivering very strong returns to investors with total return increasing by 7.4% in the second quarter of 2015, up from 5.3% in the previous quarter. On an annual basis, offices returned 37.7% over the twelve month period. A strong occupier market underpinned performance in the office sector and in particular, strong rental performance. Rental value growth of 4.1% was recorded in the second quarter of 2015. Furthermore, capital values climbed by an impressive 6.1% over

the quarter and are now 43% off peak levels recorded in 2007; this compares with -52% recorded twelve months previously.

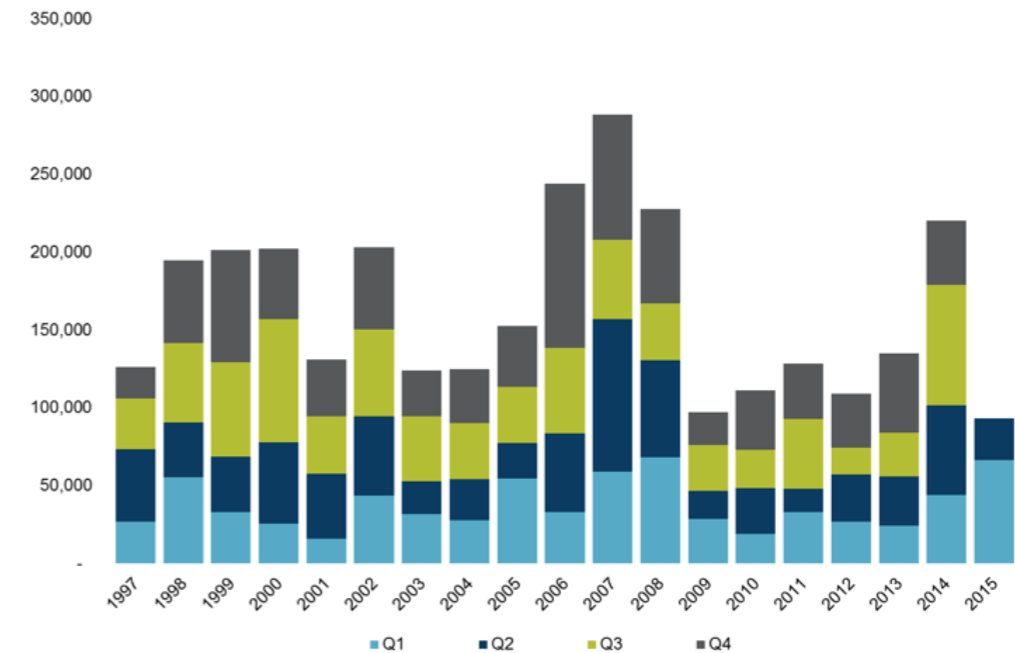
Solid demand in Dublin's CBD alongside strong occupier activity has seen no let-up in the weight of capital chasing prime office assets. Office investment volumes in the first three quarters have been very strong with over €1.3 billion worth of investment assets transacted in the year to date, commanding the highest share of overall investment activity at 59%.

Office investment remains firmly focussed in Dublin, accounting for 93% of office investment in the year to date. However, the investment market in Dublin remains polarised with the CBD continuing to outperform the secondary and suburban markets. The office sector is forecast to be the strongest performing asset sector in 2015.

With demand ahead of supply for prime office assets and with yields at, or close to, previous peak levels for prime CBD offices, investors will target prime offices in markets adjoining the CBD that offer good prospects for capital and rental growth.

# OFFICE MARKET

DUBLIN OFFICE QUARTERLY TAKE UP, Q2 2015 (SQ.M.)



Source: DTZ Sherry FitzGerald Research \*deals greater than €1m

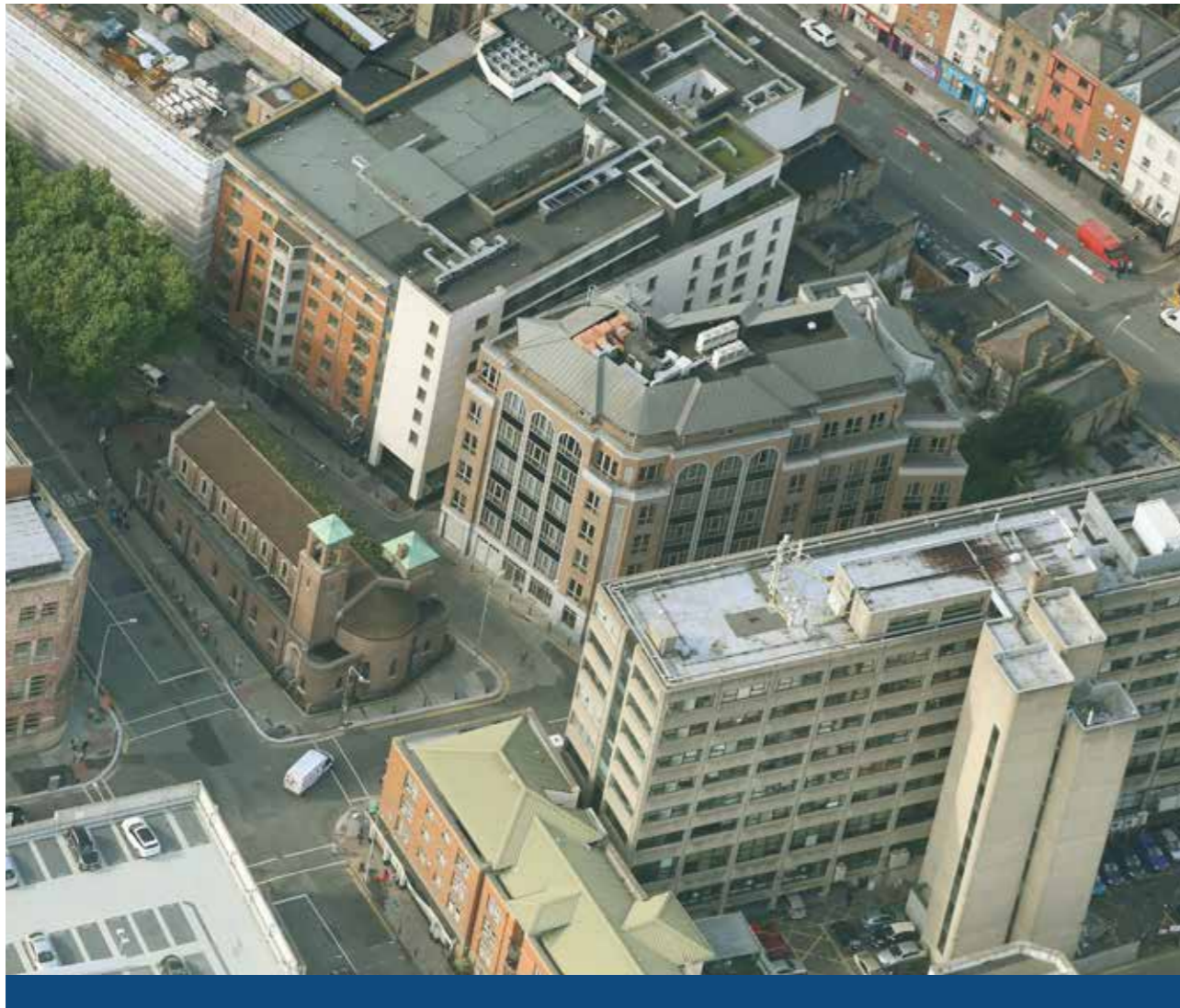
The opening six months of 2015 witnessed strong performance in the Dublin office market. The total volume of take up reached 93,050 sq.m., marginally lower than the corresponding period in 2014.

Strong performance in the opening half of the year has supported an increase in the rolling annual level of take up which stood at 211,750 sq.m. at the end of June. A comparison with the corresponding period in 2014 reveals a 17% increase in activity and also compares favourably with the long-run annual average of 142,650 sq.m.

In terms of occupier demand, the Central Business District (CBD) continues to lead the way, however, as the CBD becomes more supply constrained and in turn expensive, the quest for suitable office space is becoming increasingly challenging, and as such, demand is picking up for offices in well-located Fringe CBD markets along with secondary and suburban areas. The CBD accounted for 49% of leasing activity in H1 2015, compared to 55% in the comparable period in 2014.

The rapid erosion in supply is also evident in the corresponding vacancy rate which declined to 8.5% at the end of June, down from 12% recorded twelve months previously. Furthermore, with approximately 41,550 sq.m. either signed or reserved at the end of the quarter, the true net availability declined to 103,850 sq.m., equating to a vacancy rate of 6.1%.

A combination of strengthening occupier sentiment and limited availability of Grade 'A' accommodation fuelled very significant rental inflation in the Dublin office market over the course of the past 18-24 months. 2015 has witnessed continued upward pressure on prime headline rents, standing at €530 per sq.m. at the end of June. Dublin office rents are now just 14% below peak levels. Rents are forecast to rise to €538 per sq.m. by year end with average rental growth of approximately 3% per annum over the period 2015-2019.



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## PLANNING

The subject property is located in an area zoned Z5 City Centre – “To consolidate and facilitate the development of the central area, and to identify, reinforce, strengthen and protect its civic design character and dignity” under Dublin City Council Development Plan 2011–2017.

## PROPOSAL

Offers sought in excess of €18,000,000 which equates to net initial yield of 6.76% assuming standard purchasers costs of 4.46%.

## VAT

Further information upon request.

## BER RATING

BER: C3 BER No. 800430324  
Full Building Energy Rating certificates are available on request.

## VIEWINGS

All viewings are strictly by appointment through the joint selling agents. This is an investment sale and therefore the tenant is not affected.

## TITLE

We understand the property is held under a freehold and part-long leasehold title.

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