

# Q2 2021

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**Rent collection stable at 97%**

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**Dividend of €24.8 million  
paid in Q2**

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**Acquired 64 acres of logistics  
development land**

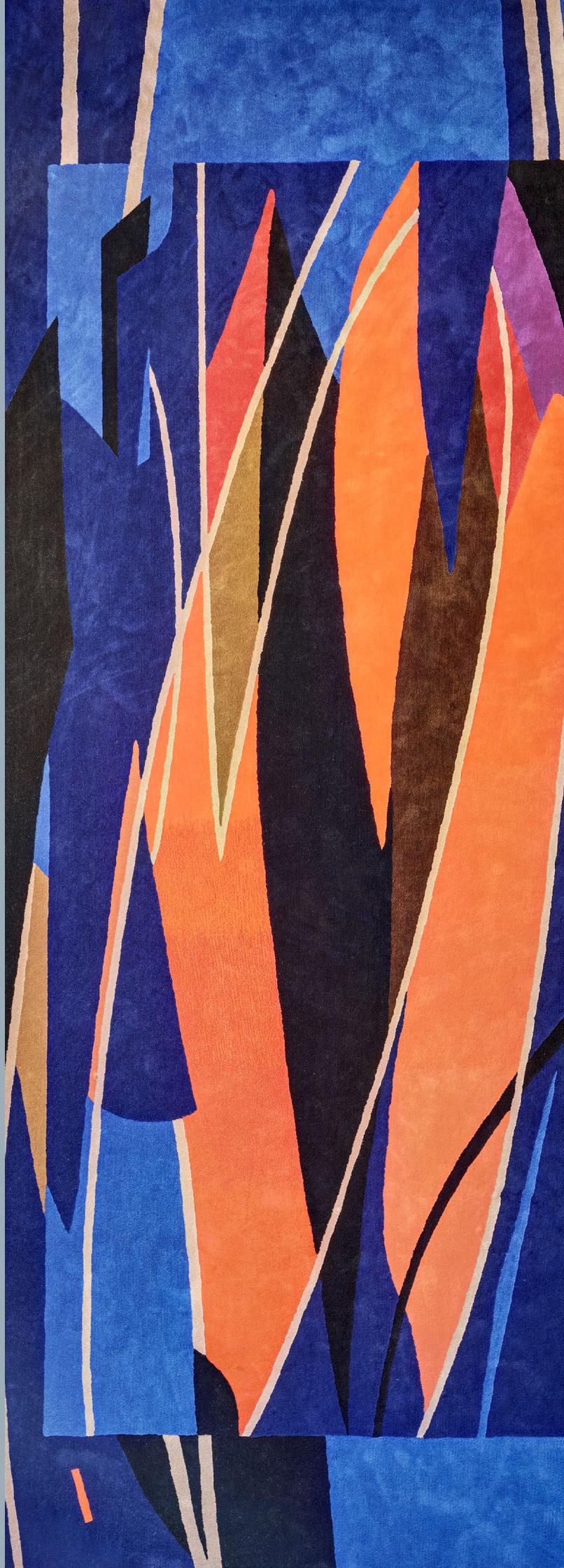
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**Disposal of non-core assets  
for €36 million**

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**Picture:**  
"Undercurrents", bespoke rug designed by  
artist James Earley for No. 3 Dublin Landings



# Outlook

At the half-year point, the economic outlook is more positive as normality begins to return to everyday life. After an initial slow start, Ireland's vaccine rollout has gained momentum with over four million vaccines administered and 50% of the adult population now fully vaccinated.



**Pictured:**  
Carrickmines Park, Dublin 18

The acceleration in the vaccine roll-out, coupled with a high take-up and low levels of hospitalisations has enabled the Government to commence a phased re-opening of the Irish economy. Construction sites are now fully operational, retail and hospitality are now open, with social distancing restrictions. A resumption of international travel within the European Union is set to begin on 19 July for Irish residents.

In tandem with this phased re-opening, we have seen greater activity in the real estate market. While office take-up remains below long-term average levels, office demand has started to improve and there is currently approximately 800,000 sq ft of office space reserved in Dublin. We have seen increased tenant interest for the limited amount of vacant space within our portfolio and we are proactively engaging with potential occupiers. In addition to this, we have seen some large requirements for office space in the Irish market emerging recently with TikTok and KPMG reportedly reserving significant office space.

Return to the office protocols vary from business to business, and the Government has now signalled that a return to the office can begin from August. The expectation is that many firms will look to re-open their offices at the end of the summer period, offering some form of hybrid working. It is difficult to accurately assess occupancy levels but, anecdotally, we understand it is currently between 20 - 30% in Dublin City Centre.

All retail and hospitality has now re-opened and while many challenges remain for these sectors, the expectation is that there is pent-up demand from domestic consumers, and a boost in discretionary expenditure is anticipated as these businesses resume trading. Positively, within our retail parks, footfall is now back to pre-Covid-19 levels.

Logistics remains the strongest performer and we continue to see strong occupier demand in the market for this asset type.

This has resulted in evidence of rents increasing and yield compression for modern, high-quality units. At the start of the year, prime logistics yields in the Dublin market stood at 4.75% and today they stand at 4.25%.

Total contracted rent is €119 million per annum, marginally down from €122 million per annum (in quarter one), following a number of disposals and lease expiries. Rent collection has remained resilient in the period, holding at 97% for the first six months. This has allowed for a consistent dividend payment, the total dividend being paid in the second quarter is €24.8 million representing €10 per share.

We continue to seek opportunities in the market that are aligned with our stated investment strategy and responsible investment agenda, particularly as we progress towards our target to be net zero carbon by 2030. We remain optimistic that the economy will continue to recover as we move into the second half of the year and this improvement will continue into 2022.

# Portfolio Overview

**Portfolio Value**

€2.9bn

**Contracted  
Rental Income**

€119m

**Occupancy**

96%

**WAULT**

6.5 Years

## Portfolio by asset mix

98% of portfolio located in Dublin by value



## Q2 highlights

### Cherryhound Land

We recently acquired approximately 64 acres of land for logistics development in north Dublin at the Cherryhound interchange of the M2. This acquisition brings our total logistics land holdings to approximately 105 acres, offering the potential to add in the order of 1.4 million sq ft of sustainable, high-quality logistics assets to the portfolio, over the next three to five years (subject to planning permission on the latest acquisition). This will grow income and increase the logistics weighting within our portfolio from 11% to approximately 16%, in line with our strategy. Development will be carried out on a managed basis, subject to continued occupier demand.

### Occupier demand

Unit G at Aerodrome Business Park in south-west Dublin is currently under construction with practical completion scheduled for the third quarter. Consistent with building the market leading portfolio, this 120,000 sq ft unit is being constructed to LEED and BREEAM certifications. Terms are now agreed and when this letting completes, the Fund's current development programme (including offices and logistics assets) will be 87% pre-leased.

### Greening our portfolio

As part of our ongoing strategy to modernise the portfolio, we are continuing to recycle capital by disposing of selected non-core assets. We recently completed the sale of a portfolio of five older industrial buildings at Westgate and Sandyford Business Parks and an office building at Eastpoint Business Park for a total consideration of €36 million. In addition, our programme of greening our portfolio continues, with works underway on a number of assets in the portfolio including: Riverside Two, Styne House and Wilton Terrace apartments.



#### **Pictured:**

Aerial view of 64 acres at the M2 Cherryhound interchange

# Performance

Net asset value (NAV) in the period remained stable at €2.7bn. Total shareholder return was 1.34% which was driven by an income return of 0.91% and capital return of 0.43%. This resulted in a total shareholder return for the 12 months to 30 June 2021 of 3.1%.

## Q2 2021

Net asset value	Quarterly dividend	Annualised dividend yield	Quarterly shareholder return
€2.7bn	€24.8m	3.8%	1.34%

## Share price information

	31 Mar 2021	30 Jun 2021	Key dates
Offer price per share	€1,108.03	€1,112.81	NAV announcement – Q2 2021 <b>1 July 2021</b>
NAV per share	€1,086.31	€1,090.99	Dividend payment – Q2 2021 <b>7 July 2021</b>
Repurchase price per share	€1,070.01	€1,074.62	NAV announcement – Q3 2021 <b>1 October 2021</b>
Dividend per share	€10.00	€10.00	Dividend payment – Q3 2021 <b>7 October 2021</b>
Distribution date	09/04/2021	07/07/2021	

The value of the IPUT portfolio as at 30 June 2021 was €2.96 billion representing a 0.2% net capital value increase in the standing portfolio over Q1 2021. When we include disposal proceeds, the total movement increased to 0.4% for the quarter. The development pipeline delivered capital value increases during the quarter in addition to the standing prime office assets.

The retail sector remains polarised with the high street still recording value declines, however, our exposure to this asset class is limited to 4% of the Fund. Positive momentum was maintained across our out-of-town retail which continued to display its defensive qualities, with positive capital and rental value movement recorded during the quarter which came through from a number of rent reviews and asset management initiatives. As e-commerce continues to grow, we view this retail asset class working hand in hand with logistics.

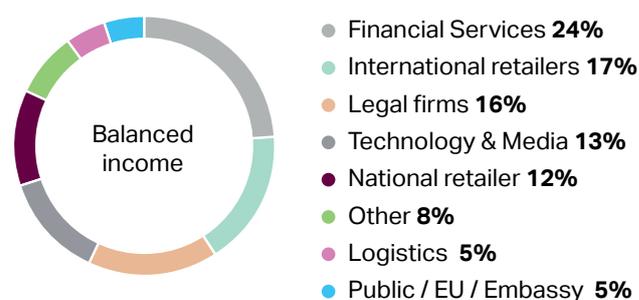
The logistics portfolio continued to outperform during the quarter with yield compression resulting in the standing portfolio increasing in value by 3%.

The Fund distributed €24.8 million of income (€10.00 per share) to investors in the quarter. This reflects a 12-month dividend yield of 3.8% (based on average NAV) to 30 June 2021.

## Portfolio by Location



## Occupiers by Sector



# Activity



**Pictured:**  
Tropical Fruit Warehouse model

## Asset management

The second quarter represented a busy period for our asset management team. We concluded rent reviews across 14 tenancies, which secured an 8% uplift on the passing income. We also concluded two lease re-gears, which have a combined WAULT of 4.8 years. At 6 Earlsfort Terrace, the South African embassy completed a lease renewal on a 15-year term.

**“ We concluded rent reviews across 14 tenancies, which secured an 8% uplift on the passing income. ”**

## Development

All of our developments are now fully operational following the re-opening of construction sites in May. The necessary Covid-19 safety protocols to ensure the health and safety of all our stakeholders are in place and carefully monitored and audited.

### One Wilton:

The structure is now complete, and the focus has now shifted to building completion, which is on schedule for the third quarter of 2021. We remain in regular dialogue with LinkedIn, the future occupier, in relation to the handover process at which point the company can commence its fit-out works.

### Two-Four Wilton:

We have re-commenced construction activities and the demolition of Gardner House is on track to be completed by the start of Autumn. Practical completion of the three buildings is now scheduled for Autumn 2023.

### Tropical Fruit Warehouse:

We are progressing with the rear office block and glazing of the unique cantilevered structure, and the sympathetic restoration of the original roof trusses is almost complete. We have revised the practical completion date for this scheme to Spring 2022.

# Responsibility



To read the full reports visit:  
[iput.com/publications](http://iput.com/publications)

## Placemaking at Wilton Park

We have installed an exhibition of 12 photo benches as a centrepiece in Wilton Park. This installation shares our vision for the re-imagined Wilton Park Estate with the wider neighbourhood and demonstrates how it will positively contribute to the local community, knitting into the fabric of the city.

The display covers all aspects of the project ranging from building sustainability credentials, our future food and beverage offerings, cultural initiatives, and public realm enhancements, while the vivid illustrations and graphics demonstrate our commitment to quality and thoughtful design.

## Launch of Fund reports

In our recently launched 2020 Responsibility Report, *Greening our Portfolio* is centred on the Fund's strategy of investing €500 million, to green our portfolio.

We also launched our 2020 Annual Report, highlighting our Neighbourhood Strategy, which illustrates our thinking and commitment to placemaking across three key neighbourhoods of Dublin: St. Stephen's Green, Wilton Park and the Docklands.

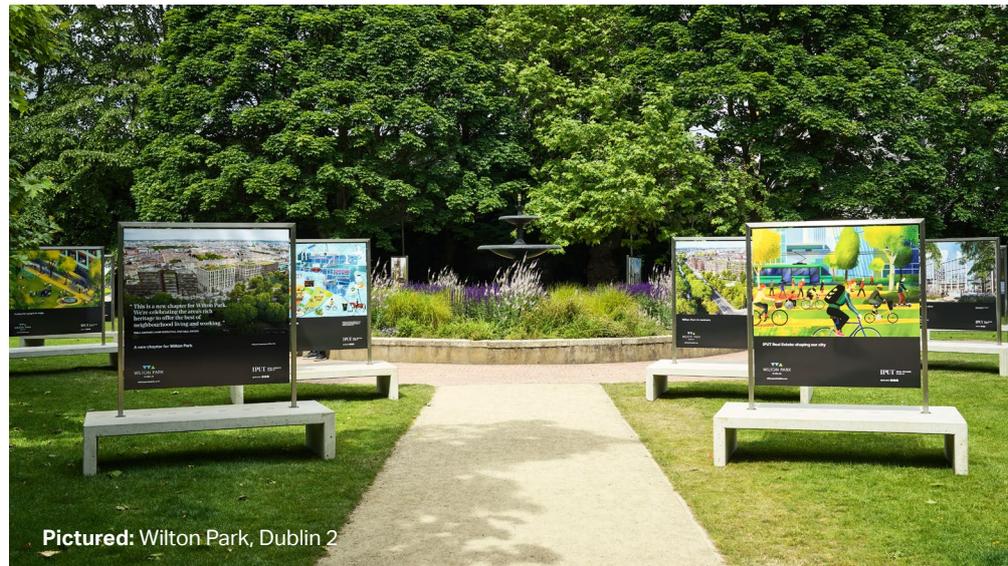
This includes developing new properties and investing in the standing portfolio with the aim of achieving net zero carbon by 2030.

This investment will regenerate our portfolio to create buildings and

spaces which contribute to vibrant neighbourhoods, offer attractive places to work, and will enhance the resilience of our portfolio for all stakeholders.

## Asset services

We regularly engage with our occupiers and we listen to their feedback. The recent occupier engagement survey highlighted that 95% of respondents are prioritising air quality in the workplace. As a result of this feedback, air quality sensors which measure CO<sub>2</sub> levels, temperature and humidity will be initially installed at our St. Stephen's Green Estate. Our aim is to use this installation as a test model and ultimately roll out air sensors throughout our managed portfolio.



Pictured: Wilton Park, Dublin 2

## Seán Scully *Eleuthera*: An exhibition

*Seán Scully Eleuthera*: An exhibition was presented by IPUT Real Estate Dublin and our cultural partners at the Royal Hibernian Academy. The show ran from 10 May to 27 June 2021.



**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 a 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.**

**IPUT** REAL ESTATE  
DUBLIN

IPUT plc  
47-49 St. Stephen's Green, Dublin 2, D02 W634, Ireland  
T +353 1 661 3499  
[info@iput.com](mailto:info@iput.com)

[iput.com](http://iput.com)

