

ONE & THREE GATEWAY

East Wall Road, Dublin 3

Outstanding Office Investment Opportunity



ONE & THREE GATEWAY



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Introduction

On behalf of the vendor, Collen Group, JLL and Savills have been jointly instructed to offer for sale One and Three Gateway.

This sale offers investors an outstanding opportunity to invest into a modern high quality office complex, with superb reversionary potential, in one of Dublin's emerging commercial centres.

The two properties are being offered for sale by private treaty individually or in one lot. (Tenants Not Affected)



Overview



94,783 sq.ft.
in two modern
office buildings



71
basement car
parking spaces



Extensive
bike racking
and storage



Exceptional
build quality and
superior finishes



€2,082,737
passing rent
per annum



WAULT
of 4.1 years



Excellent
reversionary
potential

ONE GATEWAY



51,512 sq.ft.
of offices over
six floors



39
car parking
spaces



Total rent
of €1,169,317
per annum



WAULT
of 4.3 years



Multi-let
building with quality
tenant covenants



Fitted out
in the past
12 months

THREE GATEWAY



43,271 sq.ft.
of offices over
five floors



32
car parking
spaces



Single-let
to ESB expiring
Dec. 2020



Passing rent
of €913,420 per annum
(approx. €20 per sq. ft.)



Highly
reversionary



Fitted out
in the past
12 months



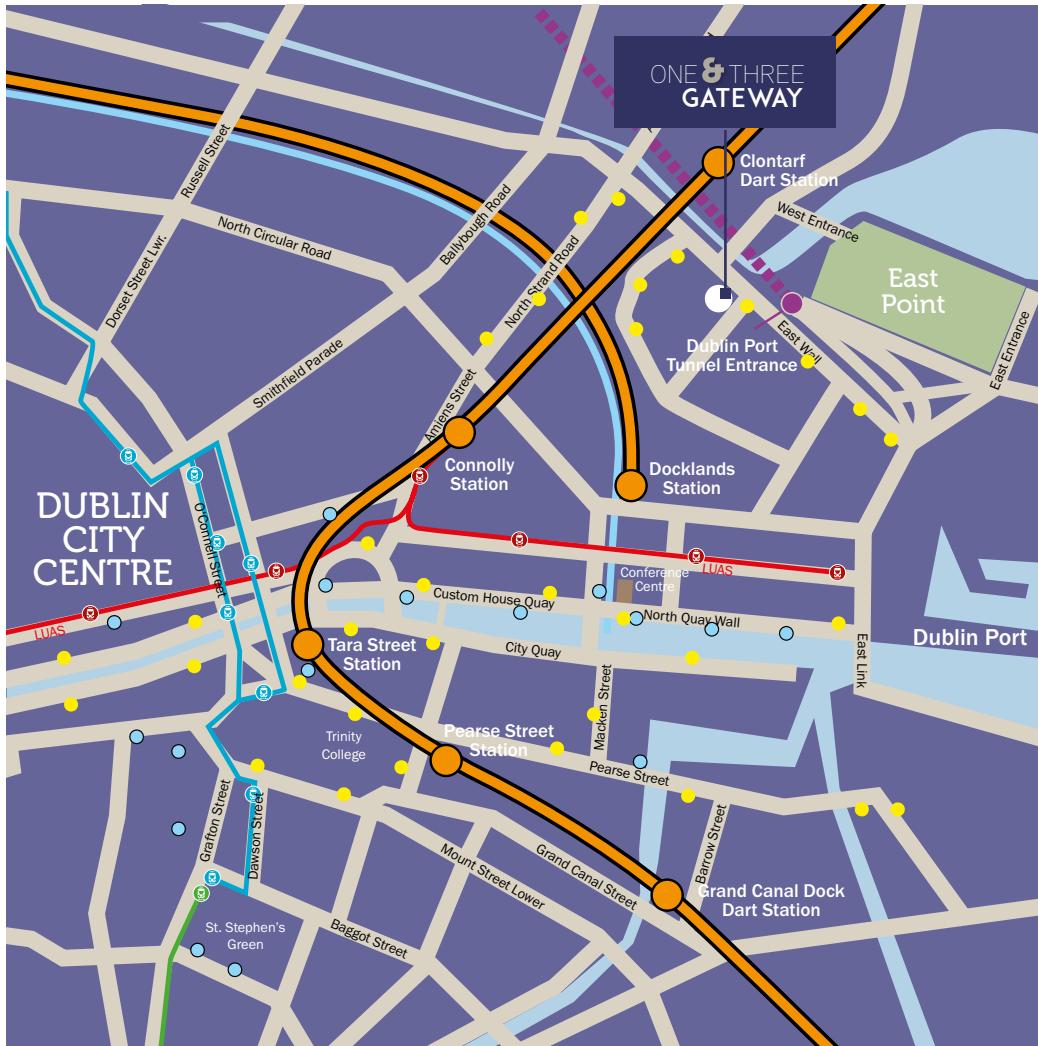
Train/DART Line

 Red Luas Line

 Green Luas Line

Train Line

Location



● Luas Red Line
 ● Luas Green Line
 ● Luas Cross City
 ● Train/Dart
 ● Dublin Bikes
 ● Dublin Bus

One and Three Gateway are part of the landmark Gateway development located on East Wall Road in Dublin's North Docklands. Gateway is immediately to the south of EastPoint and north of the IFSC in Dublin City centre.

East Wall Road is one of the city's main arterial routes, connecting Dublin Port and the expanding Docklands areas with the northern suburbs of Fairview, Clontarf and further north the Malahide Road. In recent years there has been an expansion of the retail offering in the area with a leading line-up of Lidl, Aldi, McDonalds, Centra, Spar and Starbucks all locating on East Wall Road in close proximity to Gateway.

The North Docklands is currently experiencing a substantial level of investment with the new Central Bank HQ building and the Dublin Landings development both nearing completion. These developments along with the existing Convention Centre Dublin, Spencer Dock, and The Point Village are all within a short walk of the subject property.

The success of Dublin 3 as an office location is evident not only in Gateway but also the adjoining EastPoint, which is one of the country's largest and most successful office parks (in excess of 1.5 million sq. ft.). It occupies a 40 acre campus immediately adjacent to Gateway and accommodates world class occupiers such as Google, Deutsche Bank, Oracle, Citrix, Avrato and Virgin Media among others.

Transport

Gateway is one of the most accessible locations in the city by both private and public transport. The Port Tunnel, directly accessed from East Wall Road, makes it highly convenient to both Dublin International Airport and the M1 and M50 motorways; while the East Link Bridge provides quick access to the N11 and South City.

Train services are available at Clontarf DART Station just 800 metres north of the property and Connolly Station just 1.5 kilometres to the southwest. Connolly Station also provides a stop for the LUAS Red Line serving the western side of Dublin city and Northern and Western area suburban and main line rail services.

Dublin Bus has numerous routes serving the immediate area and extensive services are available close by at the Bus Aras terminus opposite Connolly Station.

Walk time to:	
Clontarf DART	8 mins
3 Arena / Luas	15 mins
Connolly Station / Luas	20 mins
IFSC	20 mins

Drive time to:	
M50	9 mins
Dublin Airport	11 mins
N11	20 mins

Overview

The Gateway development is a modern landmark mixed-use scheme that was developed by Collen Group in 2008.

The estate comprises two residential blocks containing 157 apartments and three commercial office buildings extending to more than 15,979 sq. m. (172,000 sq. ft.) above a secure single level basement car park. Please note neither the residential blocks or building Two Gateway form part of the subject sale.



ONE GATEWAY

One Gateway is the most prominent of the blocks, located at the corner of East Wall Road and Church Road. It is a multi-level 6-storey office building with 39 designated basement car parking spaces.

The building is concrete frame with external elevations finished with polished reconstituted stone panels, powder coated double glazed aluminium frame windows, cladding panels and brise soleil. The front elevation has feature curved glazed curtain walling adjacent to the main entrance.

Internally the office areas are finished with raised access floors, suspended ceilings, modular light fittings and four-pipe fan coil air conditioning. The main reception and common areas have high quality finishes throughout with a combination of tile and carpet floors, hardwood doors and each floor level is served by 2 no. 13-person passenger lifts. There are also ladies, gents and accessible toilet facilities provided.

The floor plates within One Gateway are ideally suited to current market requirements ranging from approximately 320.4 sq. m. (3,449 sq. ft.) to 963.9 sq. m. (10,376 sq. ft.). Each floor has extensive glazing on all sides ensuring excellent natural light and 360° views. The regular shape floor plates also provide excellent opportunities to split floors for multi-leasing strategies.





THREE GATEWAY

Three Gateway is a 5-storey single-let office building with 32 designated basement car parking spaces.

The building has similar external finishes to One Gateway, with polished stone panels and extensive double glazed aluminium frame windows. The main entrance to the building is notable for the full height glazed atrium from ground to second floor level.

Internally, office areas are finished with raised access floors incorporating floor boxes, suspended ceilings, recessed modular light fittings and four-pipe fan coil air conditioning. The main reception and common areas are finished with tile floors, solid wood panelling and each floor level is served by 2 no. 10-person passenger lifts. There are also ladies, gents and shower and toilet facilities provided.

The entire of the building is occupied by ESB who have fitted the space out to suit their requirements, generally with a combination of open plan offices and high-spec meeting rooms. They also have a large canteen facility at ground floor level with a fully fitted stainless steel kitchen.

The floors within the building are designed for maximum flexibility, with two central cores and glazing on all sides. The upper floors of the building also deliver stunning views across the Tolka River and Dublin Bay.



Accommodation

The floor area of the buildings on a Gross Internal Area (GIA) and International Property Measurement Standard (IPMS 2) are as follows:

A fully assignable measurement survey prepared by Malcolm Hollis is available for review on the data site.



ONE GATEWAY

Floor	Use	IPMS 2		GIA	
		Sq. M.	Sq. Ft	Sq. M.	Sq. Ft
Ground	Office	873.8	9,405	848.6	9,134
First	Office	990.4	10,661	963.9	10,376
Second	Office	988.2	10,637	961.4	10,348
Third	Office	990.6	10,663	963.9	10,376
Fourth	Office	851.5	9,165	739.7	7,962
Fifth	Office	488.3	5,256	320.4	3,449
Total		5,182.8	55,787	4,797.9	51,645
39 Basement Car Parking Spaces					

THREE GATEWAY

Floor	Use	IPMS 2		GIA	
		Sq. M.	Sq. Ft	Sq. M.	Sq. Ft
Ground	Office	1,089.3	11,725	1,061.6	11,427
First	Office	1,132.5	12,190	1,106.5	11,910
Second	Office	1,125.2	12,112	991.9	10,677
Third	Office	641.4	6,904	504.9	5,434
Fourth	Office	493.5	5,312	349.6	3,763
Total		4,481.9	48,243	4,014.5	43,211
32 Basement Car Parking Spaces					

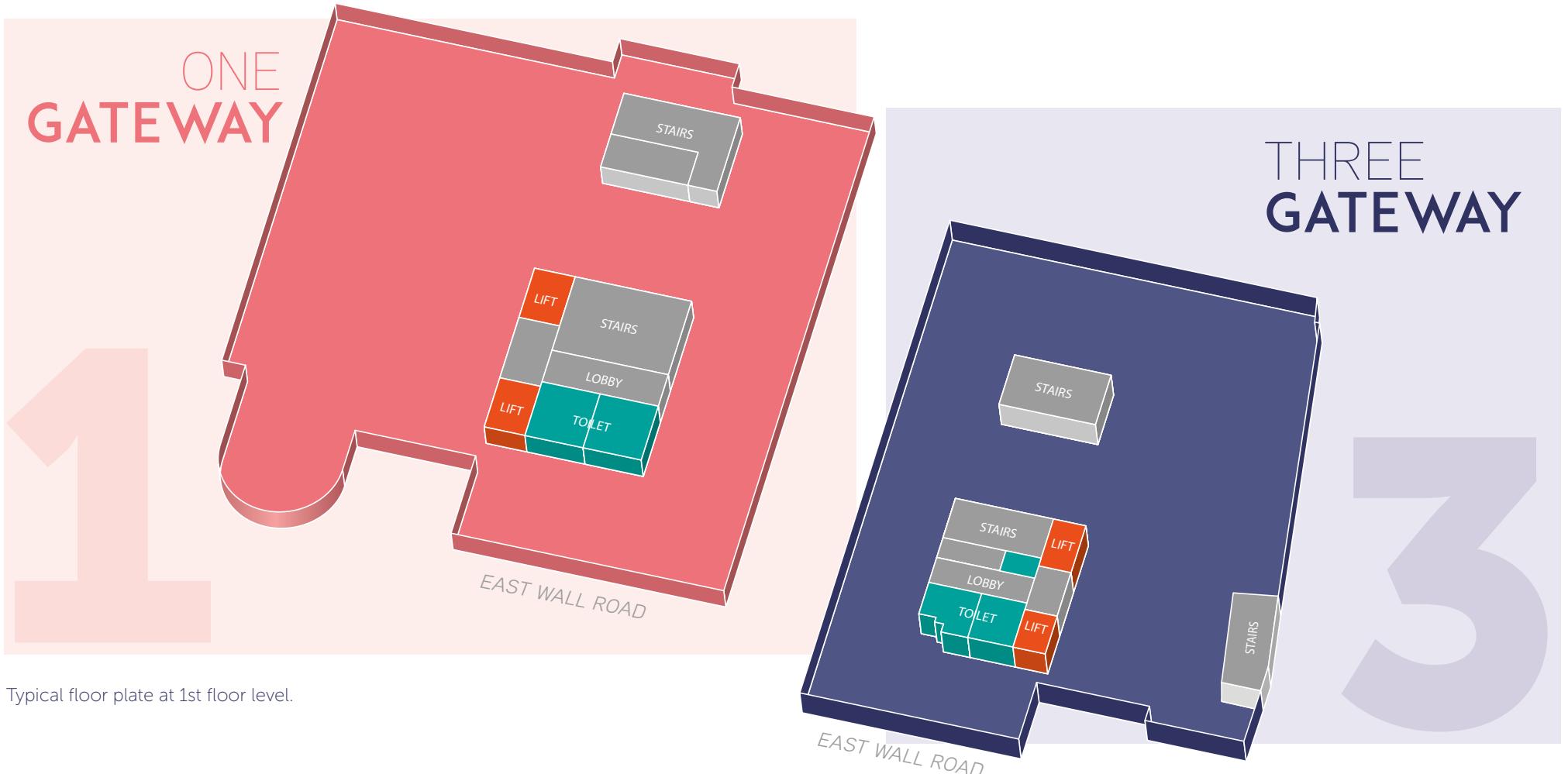
Specification

ONE GATEWAY					
<p>Large reception area finished with tile floors, hardwood doors, feature lighting and artwork</p>	<p>Four-pipe fan coil air conditioning system</p>	<p>Suspended ceilings with energy efficient modular recessed light fittings</p>	<p>Raised access floors incorporating floor boxes / grommet system</p>	<p>Two 13-person passenger lifts serving all floors and basement</p>	

THREE GATEWAY					
<p>Double height entrance lobby with high quality tile and hardwood finishes</p>	<p>Four-pipe fan coil air conditioning system</p>	<p>Suspended ceilings with energy efficient modular recessed light fittings</p>	<p>Raised access floors incorporating floor boxes / grommet system</p>	<p>Two 10-person passenger lifts serving all floors and basement</p>	



Floor Plans



Typical floor plate at 1st floor level.

Tenancy

Description	Tenant	Floor area sq m*	Floor area sq ft*	Car Spaces	Lease Start	Lease End	Next Review	Review Type	Break Clause	Passing Rent p.a.
ONE GATEWAY										
Part Ground and 1st (Office)	Whirlpool SSC Limited**	1,749.92	18,836	15	19-Jun-16	18-Jun-26	19-Jun-21	Open Market	18-Jun-23	€427,474
Part 2nd (Office)	Whirlpool SSC Limited**	564.11	6,072	4	19-Jun-16	18-Jun-26	19-Jun-21	Open Market	18-Jun-21	€136,548
Part 2nd, 3rd and 5th (Office)	Electricity Supply Board***	1,725.58	18,574	13	01-Apr-16	31-Dec-20	n/a	n/a	n/a	€458,934
Part 4th (Office)	Colt Technology Services Limited	480.03	5,167	7	24-Sept-13	23-Aug-23	24-Sept-18	Open Market	23-Sept-18	€78,274
Part 4th (Office)	Galvanic Limited	265.98	2,863	-	01-Jun-16	31-May-17	n/a	n/a	n/a	€67,287
	Wicklow Broadband License									€800
Total ONE GATEWAY		4,785.63	51,512	39						
THREE GATEWAY										
Entire	Electricity Supply Board***	4,020.01	43,271	32	01-Apr-16	31-Dec-20	n/a	n/a	n/a	€913,420
Total THREE GATEWAY		4,020.01	43,271	32						€913,420
Total ONE & THREE GATEWAY		8,805.64	94,783	71						
€2,082,737										

* Floor areas listed are as set out in the leases.

** Lease guaranteed by Whirlpool Corporation.

*** The ESB have an option to extend the term of their leases for a further period of 12 months on the date of the expiry of the initial term. The tenant is required to serve 12 months prior written notice of its intention to exercise this option.

Covenant Information



Electricity Supply Board (ESB) was established in 1927 as a statutory corporation in the Republic of Ireland under the Electricity (Supply) Act 1927. With a holding of 95%, the ESB is majority owned by the Irish Government, the remaining 5% is held by the trustees of an Employee Share Ownership Plan.

The ESB have a regulated asset base of approximately €9 billion with 43% of electricity generation capacity in the all-island market. Currently they supply electricity to approximately 2.3 million customers throughout the island of Ireland and the ESB Group employs approximately 7,000 people.

ESB have a Dun & Bradstreet rating of 5A 1 which represents minimum risk of business failure. ESB have a net worth of over €3.8 billion with turnover for accounts year ending in 2016 in excess of €3.2 billion.



Whirlpool Corporation is the number one major appliance manufacturer in the world, with approximately \$21 billion in annual sales in 2016. Globally the company has approximately 93,000 employees and 70 manufacturing and technology research centres in 2016. Major brands under the Whirlpool Corporation include Whirlpool, KitchenAid, Maytag, Consul, Brastemp, Amana, Bauknecht, Jenn-Air, Indesit.

Whirlpool SSC Limited had turnover of more than €9.9 million for accounts year ending in 2015. The lease is fully guaranteed by Whirlpool Corporation.



Colt technology services is a multinational telecommunications and data services centre company which operates throughout Europe, Asia and North America. The business is structured around three business lines: Network, Voice and Capital Markets.

Colt Technology Services Limited have a Dun & Bradstreet rating of 4A 2 which represents a low risk of business failure. Colt Technology Services Limited have a net worth of over €21.4 million with turnover for accounts year ending in 2015 in excess of €23.2 million.



Galvanic is a private limited company based in Ireland whose mission is to help people manage stress better by creating the "PIP". The PIP is a revolutionary biosensor that helps people combat stress which is available for both iOS and Android systems.

Galvanic Limited have a Dun & Bradstreet rating of 1A 1 which represents minimum risk of business failure. Galvanic Limited have a net worth of over €1.1 million for accounts year ending in 2015.

Dublin Office Market

One and Three Gateway offer an exceptional opportunity for investors to gain exposure to the strongly performing Dublin office market. The market is experiencing strong occupier demand, continuing rental growth and most recently increased construction activity.

The take-up of space in the Dublin office market totalled 248,051 sq. m. (2,670,000 sq. ft.) for 2016. This level of activity, across 232 transactions, is 35% above the 10-year average of 185,806 sq. m. (2,000,000 sq. ft.) and is anticipated to continue through 2017.

Technology, Media & Telecoms (TMT) remains the strongest sector accounting for 36% of take-up in 2016, while the Financial Services sector demand also remains strong with 14% of take-up.

The average deal size in the market in 2016 was 1,068 sq. m. (11,496 sq. ft.) This is a trend that has been seen consistently with 953 sq. m. (10,263 sq. ft.) being the average size over the past 10 years. 72% of deals were for space less than 929 sq. m. (10,000 sq. ft.), with 43% of all deals for space less than 465 sq. m. (5,000 sq. ft.). The prevalence of these occupiers in the market bodes well for One and Three Gateway, where floor plates are ideally suited to these requirements. The demand is also focused on prime quality buildings such as Gateway; accounting for 95% of take-up in 2016.

The overall vacancy rate in the market stands at 8.4% and prime city centre rents are now in the region of €592 to €670 per sq. m. (€55 to €65 per sq. ft.) with prime suburban rents in the region of €269 to €323 per sq. m. (€25 to €30 per sq. ft.)

The Dublin 3 local area represents 5% of the Dublin office market. There has been a total of 35,591 sq. m. (383,097 sq. ft.) of space taken in Dublin 3 since Q1 2015 which reflects 7% of total take-up in the office market during this period. The Dublin 3 vacancy rate currently stands at 14.5%, but the Grade A vacancy rate is just 6.0% or 4,436 sq. m. (47,748 sq. ft.).

The most recent lettings agreed in Dublin 3 have been in EastPoint and Gateway, to occupiers such as Google, Oracle, Verizon, Whirlpool and Quintiles. In recent weeks it has also been reported that Facebook have agreed to take space in the Beckett Building on East Road in close proximity to Gateway. Headline rents in Dublin 3 have reached approximately €269 per sq. m. (€25 per sq. ft.). At this level it represents less than half of prime City centre rents and provides further scope for rental increases in the future.



Opportunity



We are offering the properties for sale at a combined guide price of **€32 million** (subject to contract and exclusive of VAT).

Pricing at this level equates to the following:

- // Initial Yield of 6.23%
- // Capital Value of €338 per sq. ft.

The properties are also available for sale separately at a guide price of;

- // One Gateway - €18 million
- // Three Gateway - €14 million

For the avoidance of doubt please note that this is a property investment sale therefore no tenants are affected.

Further Information

A dedicated website and dataroom is available at:

www.oneandthreegateway.ie.

Please request access for the dataroom through the joint selling agents.



About the Vendor

This remarkable opportunity is brought to the market by Collen Group. Designed and built in-house by Collen Construction, the exceptional quality reflected within and throughout the buildings is the standard that is now synonymous with the Collen name.

Established in 1810 and drawing on over 200 years of reliable project delivery in Ireland and the UK, the Collen brand is built on its strong reputation for quality and excellence in Building. The proof of this is evident in the many prestigious projects completed throughout its 200 year history, from the construction of the RDS Main Hall in 1881 right up to the award winning Blackrock Further Education Institute completed in 2014. Recent Projects include major office developments at 32 Molesworth Street (MaplesFS), Central Park (AIB) and Abbey Street (VHI), Data Centres, Pharmaceutical/Biotech and new Retail facilities.

ONE & THREE GATEWAY

Contact Joint Agents



PSRA No. 002273

Styne House,
Upper Hatch Street,
Dublin 2, Ireland

www.jll.ie

John Moran
john.moran@eu.jll.com
+353 1 673 1600

Declan Sexton
declan.sexton@eu.jll.com
+353 1 673 1627



PSRA No. 002233

33 Molesworth St,
Dublin 2,
Ireland

www.savills.ie

Domhnall O'Sullivan
domhnall.osullivan@savills.ie
+353 1 618 1364

Brendan Delaney
brendan.delaney@savills.ie
+353 1 618 1715

Solicitors



David Larney
dlarney@gmgb.ie
+353 1 474 4300

29 Anglesea Street,
Dublin 2,
Ireland

www.gmgb.ie



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