



## Irish Rdn prop REIT

# Interim Management Statement

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Irish Residential Properties REIT PLC

18 November 2014

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### **Irish Residential Properties REIT plc - Interim Management Statement**

Irish Residential Properties REIT plc ("I•RES" or the "Company"), an Irish multi-unit residential property investment company, today issues its interim management statement for the period from 1 July 2014 to date.

The Company acquired 847 units during the period for a total consideration of approximately € 261.8 million (including VAT but excluding other acquisition costs) at a gross yield<sup>[1]</sup> of approximately 5.2% increasing the Company's total investment since incorporation to date to € 317 million, such investment having been funded by way of equity of € 192 million and debt of € 125 million. Given the stability of multi-residential properties rental income an ongoing loan to value level of approximately 45% is considered prudent.

The Company's investment portfolio now comprises 1,204 residential suites and ancillary commercial units, generating a current annualized residential rental income (net of vacancies) of approximately € 17.5 million, and annualized commercial income (net of vacancies) of € 0.6 million, making it one of the largest private residential landlords in Ireland. In addition, the Company has potential future development sites at certain properties.

The Company continues to generate increases in rental income arising from renewals and turnovers of residential suites within its overall property portfolio of on average 10% to 15%. The total property portfolio occupancy is approximately 99% and average monthly rent is approximately € 1,215 per suite.

The increased rental income together with the effectiveness of the professional cost management programmes of the Company's property manager, IRES Fund Management Limited, is reflected in the Company's current net operating margin (NOI) of approximately 80% (year to date approximately 77%).

IRES Fund Management Limited has an operating platform including twelve staff,

resident in Ireland, that are responsible for day to day operations of the total portfolio.

### Acquisitions completed during the period

**The Marker Residences:** The Company acquired the Marker Residences, located in the Grand Canal Dock area of Dublin 2 in July 2014. The development consists of 102 luxury residential suites of which 84 were acquired by the Company and approximately 1,200 sq. m. (13,111 sq. ft.) of commercial space all of which was acquired by the Company. The purchase price of approximately €50.1 million (VAT not applicable and excluding other costs of acquisition of €1.6 million) was funded by the Company's cash on hand. On closing of the acquisition, the property had a total gross residential rental income per annum of €2.1 million, commercial rents of €0.3 million and parking income of €0.2 million.

**The Orange Portfolio:** The Company acquired the Orange portfolio, the first residential portfolio brought to market by NAMA in October 2014. The Orange portfolio development consists of 1547 residential suites of which 761 residential suites in four properties located in the greater Dublin area neighbourhoods of Charlestown, Lansdowne Gate, Beacon South Quarter and Bakers Yard as well as a total of approximately 3,187 sq. m. (34,302 sq. ft.) of commercial space located at two of the properties and development lands at two locations were acquired by the Company. The purchase price of approximately €211.3 million (including VAT of €16.7 million, but excluding other costs of acquisition of €5.2 million) was funded by the Company's cash on hand and by drawing down €125 million under the €130 million credit facility arranged by Barclays Bank Ireland PLC. On closing of the acquisition, the property had a total gross residential rental income per annum of approximately €10.9 million and commercial rental income per annum of €0.1 million. The gross yield was 5.2%.

Following these acquisitions the Company's portfolio is made up of the following properties.

Property	Date acquired	No. suites owned	Total No. of suites	Commercial space in sqm	Average monthly rent per suite <sup>[2]</sup>	Occupancy
Kings Court <sup>(1)</sup>	10 Sep 2013	83	83	566	€1,152	100.0%
Grande Central <sup>(1,2)</sup>	10 Sep 2013	63	195	0	€1,339	100.0%
Priorsgate <sup>(1)</sup>	10 Sep 2013	102	198	2,568	€902	99.0%
Camac Crescent <sup>(1)</sup>	10 Sep 2013	90	110	0	€1,093	100.0%
<i>Total Initial Portfolio</i>		<i>338</i>	<i>586</i>	<i>3,134</i>	<i>€1,097</i>	<i>99.7%</i>
The Laurels <sup>(1)</sup>	27 Jun 2014	19	19	190	€992	100.0%
The Marker <sup>(1)</sup>	18 Jul 2014	84	102	1,218	€2,129	96.4%
Beacon South Quarter <sup>(3)</sup>	07 Oct 2014	217	850	2,395	€1,329	99.1%
Charlestown <sup>(3)</sup>	07 Oct 2014	235	285	0	€1,083	99.1%

Bakers Yard <sup>(3)</sup>	07 Oct 2014	85	132	792	€1,128	97.6%
Lansdowne Gate <sup>(3)</sup>	07 Oct 2014	224	280	0	€1,120	96.9%

(1) As at 30 September 2014.

(2) Two additional suites were acquired by the Company in Grande Central in August 2014 and October 2014 respectively for a total acquisition cost of €0.4m.

(3) As at acquisition date on 07 October 2014.

David Ehrlich, the Company's Chief Executive Officer commented:

*"When we took the Company public last April, we had several objectives. First, we wanted to deploy our capital in high quality assets before the end of the year. We achieved that ahead of schedule. Second, we wanted to bring our property manager's professional expertise to bear in the Irish market and we have seen that through increased rents, occupancies and higher operating margins. We have now invested approximately €317 million in investment properties. With the initial capital raised now deployed and leveraged, we continue to assess our funding options for growth, including further debt, joint ventures and equity funding and will update the market as and when appropriate."*

**For further information please contact:**

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**About Irish Residential Properties REIT plc**

Irish Residential Properties REIT plc is an Irish Real Estate Investment Trust ("REIT") listed on the Irish Stock Exchange. The Company is the first REIT established in Ireland primarily focused on the multi-unit residential rental sector. The Company will continue to seek to acquire, hold and manage investments primarily in multi-unit rental residential real estate and/or ancillary and strategically situated commercial property in Ireland. I●RES raised €200 million in an initial public offering in April 2014 and currently owns 1,204 residential suites, 7,728 sq. m. (83,225 sq. ft.) of commercial space and ancillary development land at 10 locations in the greater Dublin area.

**Note on forward-looking information**

**This note applies if and to the extent that there are forward-looking statements in this Announcement.**

This announcement contains forward-looking statements, which are subject to risks and uncertainties because they relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends, and similar expressions concerning matters that are not historical facts. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company or the industry in which it operates, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The forward-looking statements referred to in this paragraph speak only as at the date of this Announcement. The Company will not undertake any obligation to release publicly any revision or updates to these forward-looking statements to reflect future events, circumstances, unanticipated events, new

information or otherwise except as required by law or by any appropriate regulatory authority.

The Company's Interim Management Statement dated 18 November 2014 is available on the Company's website at [www.iresreit.ie](http://www.iresreit.ie).

This announcement has been issued through the Companies Announcement Service of the Irish Stock Exchange.

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[1] Gross yield is calculated as the annualized rental income based on the rents passing as at 30 September 2014, including the in place rents for the Orange portfolio on the acquisition date, 7 October 2014, divided by the aggregate purchase price of the total portfolio (including VAT but excluding other acquisition costs).

[2] Average monthly rent is defined as actual residential rents, net of vacancies, divided by the total number of suites (including vacancies) in the property as at the stated date and does not include revenues from parking, laundry or other sources.

This information is provided by RNS  
The company news service from the London Stock Exchange

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