



Quintas buys bank building as investment

A GROUP of private pension investors, led by Quintas Wealth Management, has acquired a Bank of Ireland building as an investment, on a return of almost 9%. It will repay borrowings on its circa €3.5 million acquisition in about eight years time, showing strong performance on this medium to long-term investment.

The deal shows signs of some emerging confidence again in property investments by Irish investors, tempted by a sizeable yield gap between bank investment/deposit returns, and a yield of close to 9%, on a property leased to Bank of Ireland, due to run until December 2031.

The acquisition was of the B of I main branch in Drogheda, renovated in 2006, and with modern space behind, close to the Laurence Shopping Centre, with M&S and Boots as leading tenants.

The deal was spearheaded by Kenny Kane of Quintas WM for pension clients, and mirrors a larger 2010 deal they did in Cork city when they acquired the AIB bank branch on Patrick Street for €9.36m, with a

20-year lease. The quality of that investment and location on Cork's premier street saw pension investors content with a 7% yield, and which is on track to repay its borrowings within a 15-year term, with 50% of rent roll going to repay borrowings.

In Drogheda, the asset was purchased using investor equity and bank finance, at a yield of 8.9%, at roughly 40% of peak 2006 prices.

Set up in 2005, Quintas — who also operate BES-type Employment and Investment Incentive Schemes (EIIs) are looking at other performing investments for clients in sectors like hotels, residential blocks and even land, it is understood, as the volumes of commercial property transactions show signs of recovering from a very low base. Likely sums would be in the single digit million euro bracket.

"With tentative signs of stabilisation in the commercial property market we believe there is an opportunity for investors to secure well-located properties occupied under long leases, at historically low prices," Mr Kane said.

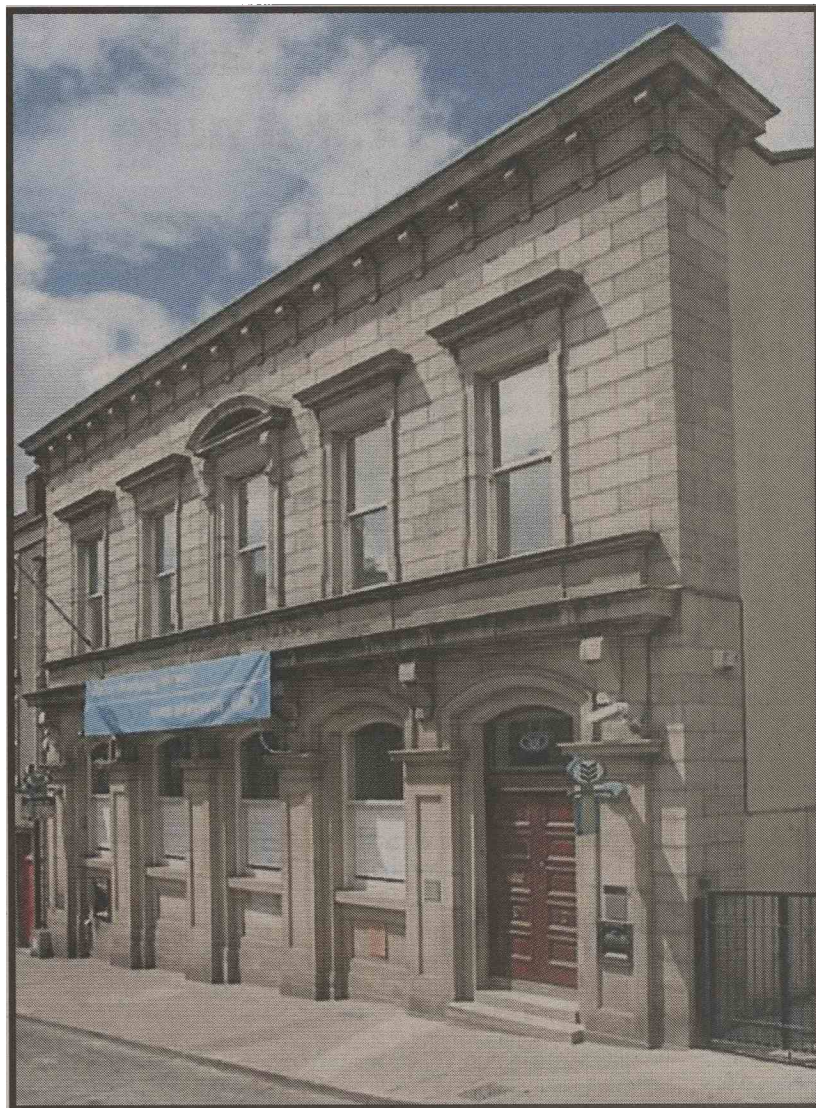
"Based on reasonable assumptions

the BoI Drogheda transaction will repay its borrowings in under eight years, leaving the investors free to sell at that stage — or, alternatively, draw down a significant return on equity for the remaining term of the lease."

QWM was advised by Ronan Daly Jermyn.

Details: www.qwm.ie





Above, the Drogheda Bank of Ireland building, bought in a c €3.5m deal spearheaded by **Quintas' Kenny Kane, below, for pension clients.**