

COMMERCIAL

Commercial briefs

Tradesmen bullish for 2010

A survey carried out by the website Onlinetradesmen.ie has indicated increased optimism in the home improvement sector, with almost 30 per cent of tradesmen predicting an increase in business this year. A further 53 per cent of respondents identified the potential for increased business in 2010.

BNP's new faces

David Browne and Linda McNeill have joined BNP Paribas Real Estate as surveyors within the property and facilities management department.

Browne, a former associate director of Jones Lang LaSalle, has extensive experience in managing both private and institutional property portfolios in Ireland. McNeill has joined the firm from the City of Edinburgh Council having gained experience in all aspects of tenant management.

BNP Paribas has also announced the appointment of JP Flynn as a valuer with its professional services department, and of Robyn Murray to its administration team.

€5.5m Berlin deal for Greenman

By Michelle Devane

The Irish commercial property fund Greenman Investments has finalised the purchase of a €5.5 million auto service centre in the German capital Berlin.

Contracts were signed in the last fortnight between Greenman and the Berlin-based construction company GVG to develop an auto service centre in Teltow, a suburb of the capital.

Construction will be complete in the next six months, and the property has already been pre-let.

It is located in a newly-built retail park where nearby occupiers include BMW, Peugeot, Renault and LandRover, as well as the discount food retailer Aldi.

This is the fifth auto service centre which Greenman has built in Germany, and it now has a portfolio valued at €11 million.

The first four centres are fully operational and are let to either PitStop or Carglass, two of the largest car repair firms in the world, on long term leases.

Real Returns launched the Greenman fund last year, and to date has raised €2.5 million from Irish investors.

"Despite our small size, Ireland's poor economic climate and other bad news, we managed to have a successful 2009. We raised €2.1 million from March to December, mostly from insurance and pension



Greenman Investments has let some of its existing auto service centres in Germany to the repair firm Carglass

brokers around the country," said Real Returns director John Wilkinson.

"We have been pleasantly surprised by the level of investment from Irish investors since the fund's launch, and will continue to raise funds until March 2012."

The company aims to raise €8 million from private investors in Ireland to create a property portfolio worth up to €35 million and generate an annual rental income of €2.6 million.

It plans to build a total of 15 automotive repair centres in ci-

ties across Germany on behalf of anchor tenants. Leases of between ten and 15 years will be secured and rents will be linked to the German CPI index. PitStop and Carglass will be the anchor tenants for many of the centres.

A minimum investment of €50,000 is required and it can be made either directly by private investors or by company directors and owners.

Wilkinson said that 80 per cent of the investment so far has been from Irish self-directed pensions (SSAPs) for com-

pany directors and SIPP self-invested personal pensions for the self-employed.

Germany, with a population of 82 million, is the EU's largest economy. The German recession officially ended last August, helped by stimulus packages and renewed export growth, and GDP growth for 2010 is forecast to be 1.4 per cent.

Wilkinson said Germany offers more opportunities for pension investors.

"Last year, the German commercial property market had over €30 billion worth of transactions, accounting for over 27 per cent of all European transactions. Almost 90 per cent of those transactions were by German companies," Wilkinson said.

Ernst & Young has forecast

transactions of between €16 billion and €18 billion this year in Germany, with prices set to strengthen in the second and third quarters of the year.

Wilkinson believes that Real Returns has been relatively successful in raising funds because it was a low risk investment with a real value lease and cash flow.

"We're not forecasting our returns on capital appreciation - our returns are coming from leases and rentals, and we're confident in our anchor tenants," he said.

The fund should produce a minimum return of 6 per cent per year for each investor.

For further information, contact Real Returns on 01-6471121, or visit www.greenmaninvestments.eu

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