Irish Life acquires Rathcoole distribution centre for €28m

High-quality centre in ‘golden triangle’ of Dublin hubs to show 6.25 per cent return

The building at Aerodrome Business Park in Rathcoole, Co Dublin, has a gross external area of 16,006sq m (172,295sq ft) including three-storey offices extending to 987sq m (10,629sq ft).

Irish Life has moved to further strengthen its property investment portfolios by acquiring a vast, purpose-built distribution centre at Aerodrome Business Park in Rathcoole, Co Dublin, for €28 million. The investment will show an initial return of 6.25 per cent.

The high-quality distribution centre, which attracted strong bidding from Irish and overseas funds, is located within the “golden triangle” of distribution hubs in the greater Dublin area within easy access to the M7, M50 and national roads network.
It was developed in late 2009 by Clonmel Enterprises and has both ambient and chilled storage and distribution capabilities, which makes it particularly attractive to logistics operators serving the major supermarket chains.

- **Yew Tree fund buys two industrial units at Airways estate in Dublin**
- **Carrickmines residential site expected to generate strong interest**
- **Retail assets drive €4.5bn investment market turnover**

The building has a gross external area of 16,006sq m (172,295sq ft) including three-storey offices extending to 987sq m (10,629sq ft). It is fully let to Culina Logistics Ireland Ltd – backed by rental guarantees from two major UK logistics businesses – on a long lease from January 2010, at a current rent of €1,808,602.

**Growth potential**

Kenneth Rouse of BNP Paribas Real Estate, who advised Irish Life, said the international trend of increased institutional allocations to the logistics sector was now being seen in the domestic market, with investors attracted by strong income yield and future growth potential from technology-led retailing.

With the trend towards online shopping and the move to a centralised distribution model by many larger supermarket retailers, the demand for distribution space should inevitably lead to increasing market rents and in turn capital values.

Philip Harvey of industrial property specialists William Harvey & Co, who advised the vendor, said that over the past year they had handled a significantly increased number of industrial and logistics property investment sales as vendors took advantage of lower investment yields and greater demand from both institutional and private-equity partners.