

COMMERCIAL property

propertynews.com

IRELAND'S PROPERTY FINDER

Wednesday 5 March 2008

www.independent.ie



Ballymore in Europe **Page 2**



Munster malls **Page 3**



Overseas action **Page 5**

Conlon seeks €16.5m from Irish investors for US plans



Sean Conlon is developing 640 West Washington in downtown Chicago. The high-rise tower will provide more than 24,100 sqm of accommodation, including both commercial space and 220 units. Walgreens is the anchor tenant

Con Power

IRISH investors are getting the chance to hitch their wagon to one of America's foremost real estate entrepreneurs - Sean Conlon.

Investors are being offered the opportunity to participate in the Conlon Real Estate Opportunities Fund by Dublin-based Liberty Asset Management (LAM).

The new fund is seeking to raise a minimum of \$25m (€16.5m) to fund property ventures in the US - sourced and managed by the Co Kildare-born property tycoon.

At just 38 years of age, Mr Conlon - originally from Rathangan - has regularly been dubbed the "voice of US real estate" by the American media.

In true rags-to-riches style, the Irishman already owns and runs one of the fastest growing real estate groups in the US.

Among others, his group of companies includes a mezzanine fund management business (Connaught Real Estate Finance), a title insurance company (Near North National Title) processing around \$5.5bn worth of transactions per year and a brokerage firm employing over 300 brokers in Chicago (Century 21 and Sussex & Reilly).

The new Conlon Real Estate Opportunities Fund will focus on property-related acquisitions across the US.

Targeting off-market opportunities that "demonstrate the

potential for superior returns" is the primary focus of the fund.

Conlon & Co itself has committed to invest \$2.5m equity to the fund, while LAM has arranged that its shareholders will match this amount.

Based on current commitments from institutional and high net worth investors, the fund - aimed to last for between five and seven years - is expected to comfortably exceed its €25m target.

Multi-millionaire Mr Conlon has almost 20 years' experience in both Chicago and the broader US markets. He has a long-standing proven track record in real estate investment and development across all asset classes including office, retail, shopping centres, development sites (residential and commercial) and hotels.

A measure of the scale upon which he operates is that his Near North National Title is providing the title insurance for fellow Irishman Garret Kelleher's much vaunted Chicago Tower project.

Established in 1996, LAM services range from mortgages and group pension management to structuring investment portfolios and property schemes.

In excess of €170m has been invested in its tailored funds over the past 12 months alone.

Far from being fazed by the US property slowdown, Sean Conlon believes that the changing landscape of US real estate and the potential currency

opportunity now available provides for "a unique investment opportunity" for Irish investors and this is "a time of unprecedented opportunity".

He believes that "2008 looks set to offer the biggest opportunity for European investors to buy US real estate for decades".

James Carroll, managing director/partner of Conlon & Co in Ireland, states that this fund is the first in a series to allow Irish investors a share in the success of the Conlon story.

"We are pleasantly surprised at the growing interest and investment demand from sophisticated Irish investors in the US real estate recovery story," Mr Carroll comments.

The new fund will seek to take advantage of Mr Conlon's ability to identify, negotiate and capitalise on high yielding, "distressed" real estate transactions, while providing investors with the opportunity to co-invest with the dynamic Irish deal-maker.

With two off-market "seed transactions" already secured by Mr Conlon, the fund is targeting a return to investors of over 20pc.

The two transactions initially underpinning the new fund are The Fulton Market in Chicago and a 72-acre commercial/residential development in North Carolina.

The Fulton Market is an existing 3700 sqm warehouse on around one acre in the Chicago Loop district - close to the

The shrewd contrarian



An AVOWED "contrarian", Sean Conlon's shrewd investment style has been at the root of his extraordinary success.

He maintains that now is the right time to invest in the US. During the past two US recessions, in the mid-90s and more recently in 2001/2002, the Irish-born tycoon managed to thrive and grow his real estate empire.

"I'm a great believer in the

philosophy espoused by Warren Buffet, "Be fearful when others are greedy, and be greedy when others are fearful", he comments.

At the moment, he points out major real estate investment drivers are aligning in the US, particularly in favour of the Irish/European investor.

Economic and property cycles are bottoming out, interest rates are sliding and both the euro and sterling are at record levels against the dollar.

He argues that recession is a normal part of the economic cycle and can be capitalised on.

Among the nine US recessions since the end of World War Two, the longest recession lasted 16 months and the shortest five months - with an average length of 11 months.

Mr Conlon points out that fewer than 2pc of mortgages are currently in default and that more than 93pc of US mortgages are current and being paid on time, suggesting a picture of overall stability.

"If history is a window to the future, my personal view is that by the time a recession is officially announced, I suspect it will already nearly be over," Mr Conlon sums up.

sqm of shopping space is expected to be developed there in addition to a major mixed-use scheme.

Participation in the new Conlon Fund is open to self-administered pension funds and non-pension investors with the minimum investment amount being around €66,000.

The fund will be launched at the opening of new Dooley Insurances offices at Millennium Park in Naas, Co Kildare this evening.

D8 tower dropped

P ELLIOTT has substantially reduced the scale of its plans for its section of the Digital Hub site in Dublin 8, despite Dublin City Council proposals to increase the density of development along the Knowledge Axis between the hub and Grangegorman.

Elliott has dropped its plans for a 16-storey tower and instead the latest plans show its tallest building will rise to only eight storeys, which will front onto Thomas Street, next to the LAWS building.

Furthermore, the combined office and digital media accommodation has been more than halved from 13,422 sqm to less than 6,400 sqm. Elliott has also dropped its plans for 269 apartments.

Nevertheless it still plans to develop 1,095 sqm of restaurant space and 281 sqm of retail space, as well as providing 682 sqm for exhibition and performance space. The Conical Tower or former Windmill will be refurbished to provide 273 sqm of cultural space as well as a 273 sqm cafe.

Dublin City Council had approved the original plans but this was overturned by An Bord Pleanála, which said the "unsatisfactory design and layout of the blocks" would give rise to "undue overlooking and overshadowing between apartments and present poorly composed and unsatisfactory elevations to Thomas, Watling and Bonham streets". The site is within an area defined by Thomas Street and James Street to the south, Watling Street to the west, Bonham Street to the north and the LAWS building and Marshalsea Wall to the east.

DONAL BUCKLEY