



City Vision

The roar of the Celtic Tiger is softening

A new Locum Destination Review regular, City Vision seeks to highlight destination issues in city locations where Locum and Colliers are working. First up is Dublin, the capital of the Republic of Ireland.

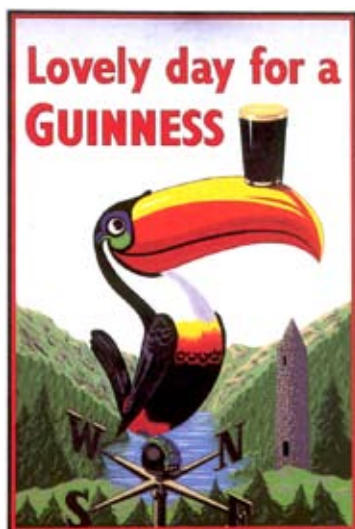
Roger Hobkinson of Locum Consulting in conversation with Michael Donohoe and Aiden McDonnell of Colliers Jackson Stops, consider two major destination development projects as Dublin moves from unprecedented growth to a period of uncertainty.

Dublin – Where next?

Back in 1994 the term Celtic Tiger was first used to reflect the dramatic economic growth being seen across Ireland. On the back of economic liberalisation, sound economic policies, an attractive inward investment environment, a highly educated workforce, EU capital flows and entrepreneurial activity, Irish GDP grew at an average of 7% pa between 1994 and 2007.

The Irish capital has been the engine of this boom, a fact reflected in huge development across all sectors of the city. The **Residential** sector has seen large new extensions to the city and "satellite towns"; the **Office** sector has become an international financial services centre; the **Retail** sector has a high provision of shopping floorspace per capita and **Infrastructure** throughout the Irish State has seen improvements in road, rail and air links.

However in 2008 14 years after the Celtic tiger started to roar, a downturn is underway in many areas of the economy, with negative GDP forecasts for 2008 and 2009. As the Celtic Tiger pauses for breath, Locum and our colleagues at Colliers Jackson Stops in Dublin consider two major destination development projects in the Irish capital.



Guinness calls time

Diageo, the parent company of the world famous Irish drink brand, recently announced the closure of the famous **St James's Gate Brewery** and two of its other breweries at Kilkenny and Dundalk. A major new brewery will be built on old Guinness family lands to the west of Dublin. So the big question is what will happen at the St James's Gate site?

The site covers approximately 20ha on the western edge of the city centre, adjacent to Heuston Station and fronting the River Liffey. It's a place that resonates with Dubliners, Irish people and Guinness drinkers the world over.

The centre of Dublin is shifting eastwards driven by the growth of the IFSC, docklands, rail links, the National Convention Centre, O2 Arena etc. Can the vacated Guinness site be used to breath new life into the western side of the city and ensure it remains a competitive destination to live, work and invest in? This raises a number of issues. What might the future destination brand for the site be, what type of uses, big & small could be introduced for this part of the capital?



Croke Park, Dublin

One "big idea" might be to introduce another Irish institution, perhaps RTE the Irish National broadcaster that might help to develop a media/digital cluster, perhaps similar to the BBC/SMG on the river Clyde in Glasgow, the BBC's plan for White City in West London and Salford Quays in Salford. On the other side of the world Channel 9 is helping to open up the development of Melbourne Docklands. So, bring RTE into the city centre, let's see the newsreaders with the backdrop of the River Liffey and the centre of Dublin. Make it the place in Dublin where international news services report to profile all things Irish.

Almost certainly, the Guinness site provides a major opportunity for a multi million Euro project for Dublin. Perhaps a masterplanned district, a town within the city. Lessons might be learnt from Roppongi Hills Tokyo, Columbus Circle New York, Potsdammer Platz Berlin and Kings Cross London. Maybe it could provide a 21st century Irish twist on the much admired Georgian Dublin?

Ballsbridge, D4 – Dublin's Glamour District

Ballsbridge is often talked about as the Knightsbridge, 16th *arrondissement* or Madisson Avenue of Dublin. Certainly, some of its roads and parks are stunning but where is its centre, where is the new place for the Irish and International "in-crowd" to hang out?

There are now several major projects underway in the area hinting that things will



change and that the district will develop a vibrant heart to truly allow it to compete with other cities' glamour districts.

The completion of the **Lansdowne Road stadium** is acting as a catalyst for change; the ongoing saga of **Mountbrook's (Sean Dunne's)** proposals for the ex Jury's and Berkeley Court hotels; Bernard McNamara's proposals for the **ex Burlington**; the **RDS exhibition centre** is another major driver as is the **Four Seasons** and the **Herbert Park hotels**.

Is the Mountbrook 30 plus storey tower suitable in this location?

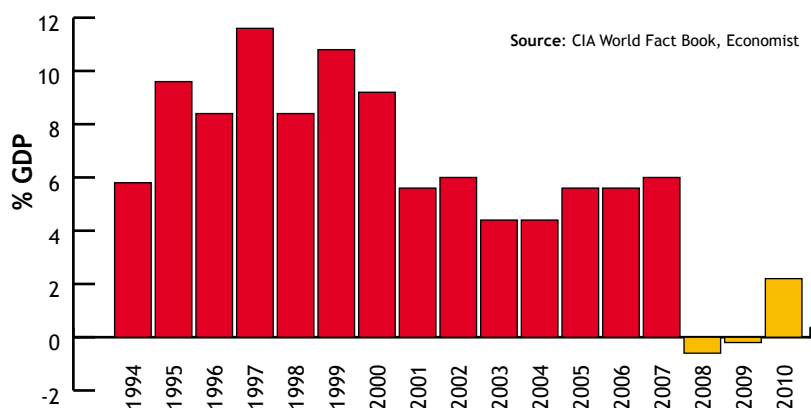
There are issues for and against it. On the one hand, perhaps the Lansdowne Road DART station will provide the public transport capacity potential that helps make the development more achievable. On the other hand, the dominating streetscape in Ballsbridge is three and four storey Georgian town houses and villas – a crucial part of the "destination brand" for this part of the city. A high quality, mid density masterplanned urban centre that effectively binds the area together and further cements Ballsbridge's reputation, might be a more appropriate plan for the area.



IFSC District, Dublin

DUBLIN DASHBOARD

Population:	1.2million
Population 2021:	1.4 million <i>(1.3% avg. annual increase)</i>
Cost of Living 2007:	Ranked 16 <i>(Mercers Cost of Living Index, below London, Paris, Zurich and Geneva)</i>
International flights per day:	250 plus
Retail Stock <i>(Dublin Region):</i>	1.42 million sqm <i>(Colliers CRE research)</i>
City Office Stock:	3.2 million sqm
Retail Rents <i>(High Street):</i>	€700 - 950 sqft <i>(zone A)</i>
Office Rents <i>(City Centre):</i>	€60 sqft
IPD Irish Property Returns:	-6.2% <i>(Q2, 2008)</i>



Commentary

The office market has seen a marked decrease in sales and letting activities in Q3. Whilst take up figures of 66,000 sq m remained strong, in Q2 it is expected that the year end figures will reflect the wider economic problems being experienced throughout the country.

The retail pipeline continues to grow with a major redevelopment of the Arnotts department store totalling 150,000 sqm for 2012. In addition on O'Connell St a 5.5 acre site centred on the former Carlton cinema is proposed by chartered land.

The development land market has experienced very low levels of activity recently. This can be attributed to the scarcity of finance and a tougher planning environment in parts of the Dublin region.

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