



**National Asset
Management Agency**

CIF Annual Conference

01st October 2014 – CEO NAMA

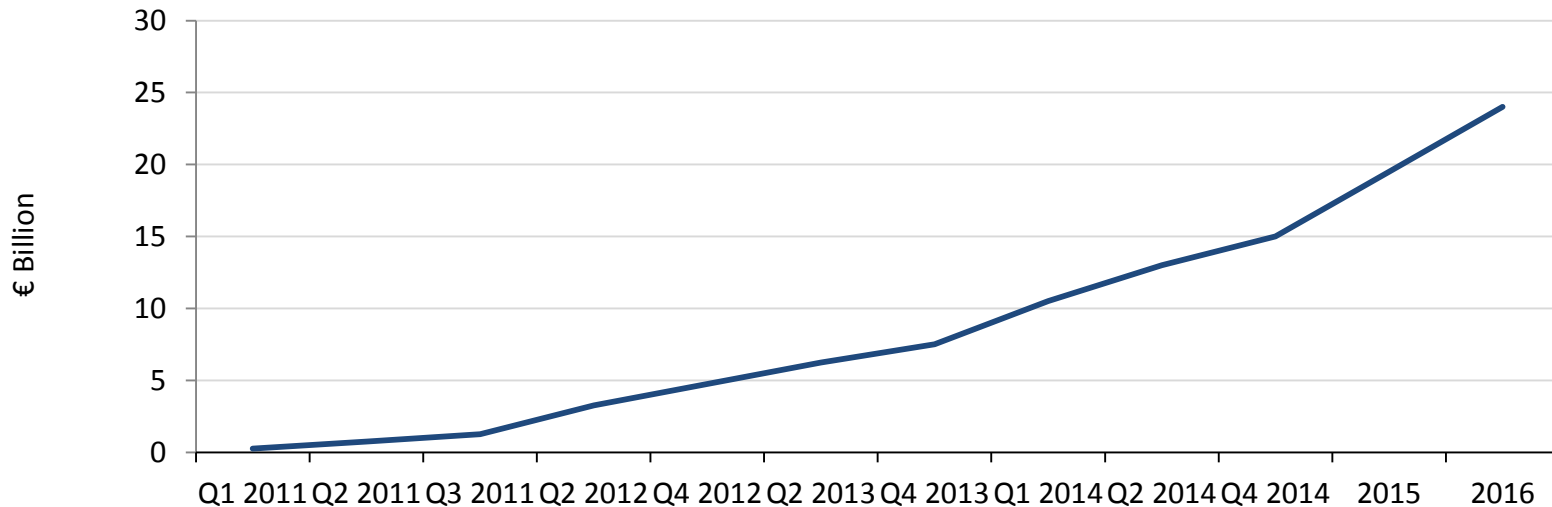
www.nama.ie

Presentation focus

- ❑ NAMA's core objectives
- ❑ Development finance focus
- ❑ Wider economic and social contribution
- ❑ Construction 2020 vision

Core objective – reducing Ireland’s €30bn NAMA contingent liability

Cumulative NAMA Senior Bond Redemptions



Moody's upgrades Ireland's credit rating by two notches to BBB+ (investment grade).

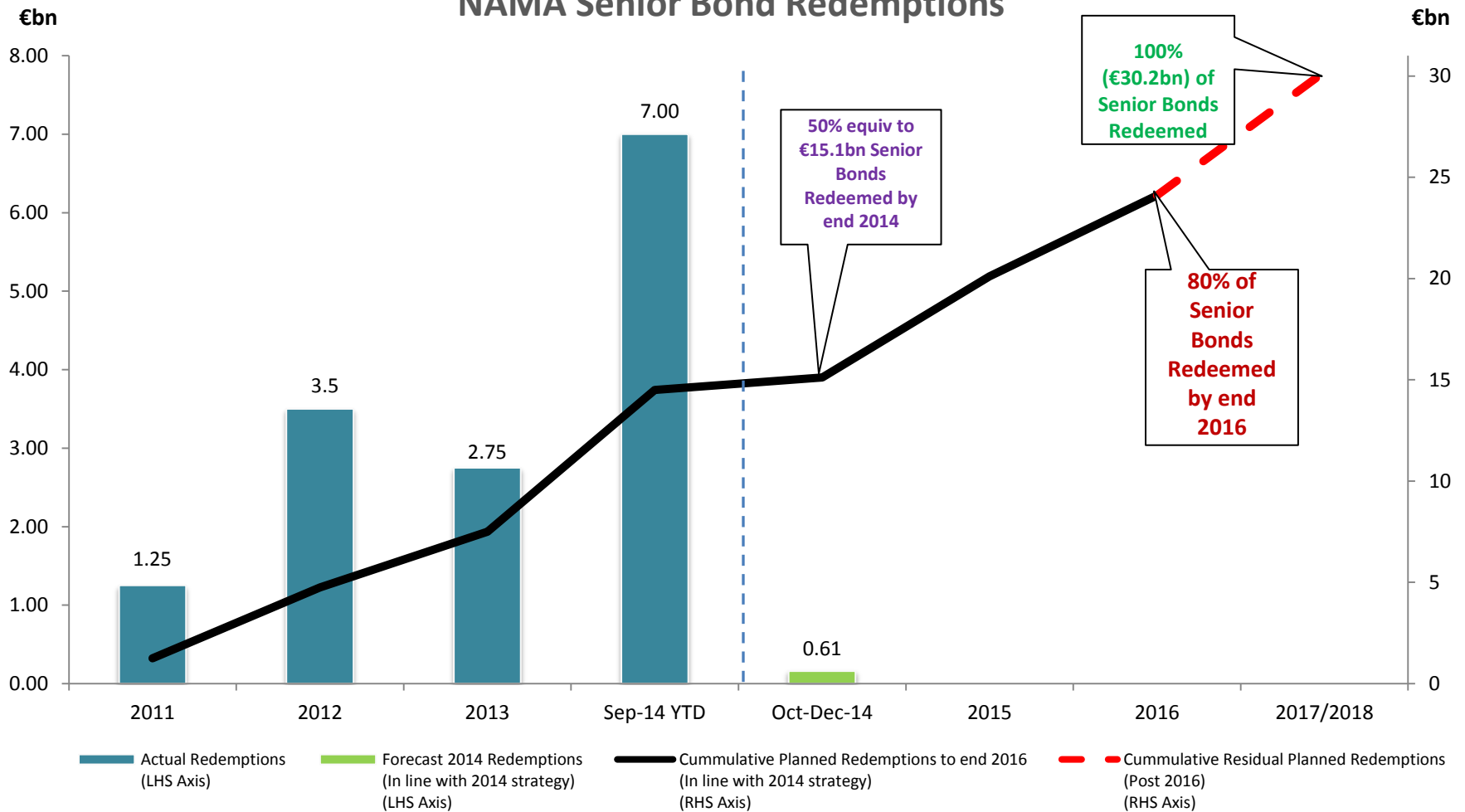
NAMA debt redemptions play a key part.



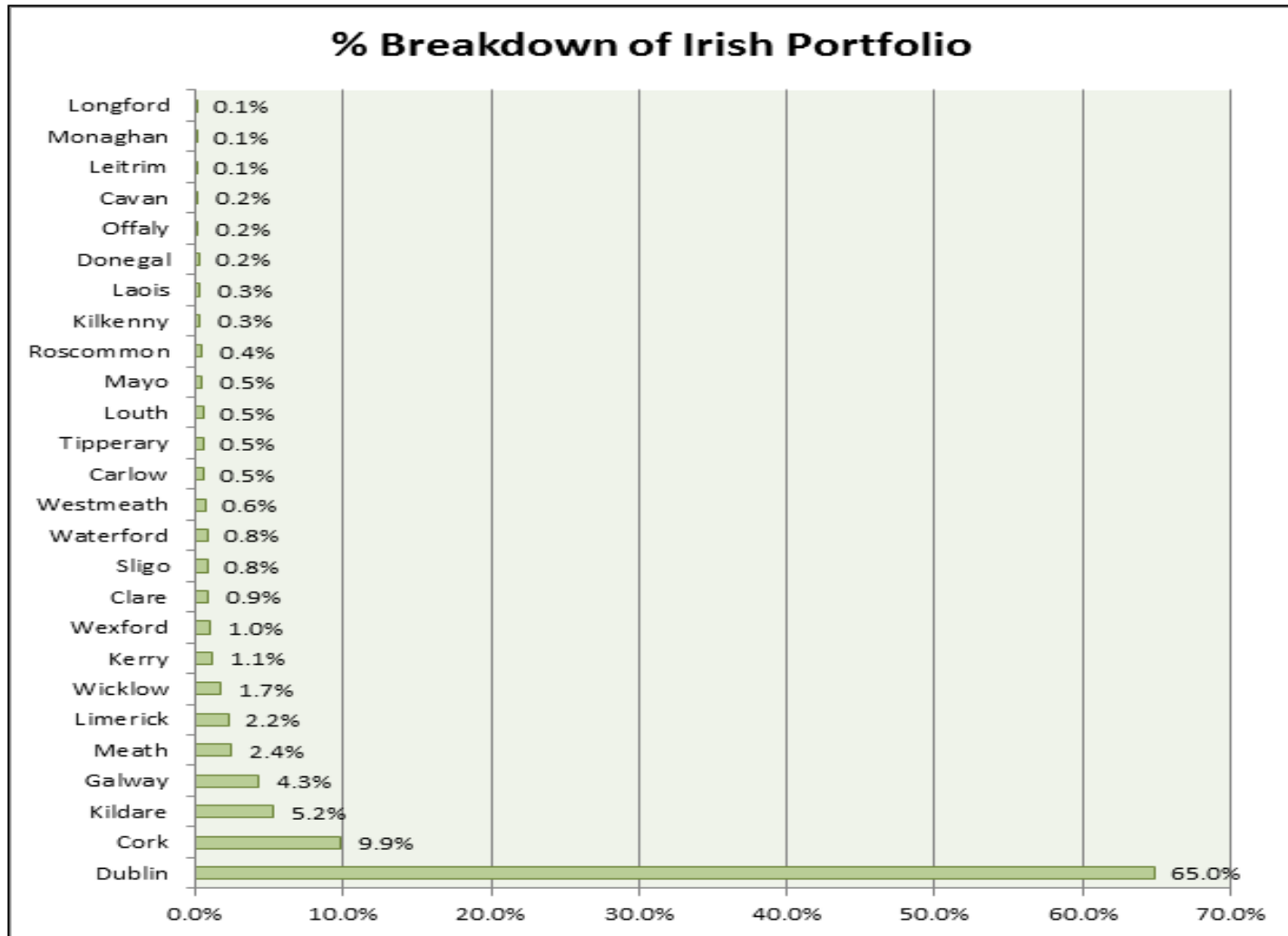
Ireland's credit rating raised to A- noting "faster pace at which NAMA is paying down its debt".

Achieving senior bond repayment ahead of schedule

NAMA Senior Bond Redemptions



% Breakdown of Irish portfolio 30/6/2014



Potential **€4bn** in development funding in ROI

- ✓ €1bn already advanced; potential **€3bn** available for ROI
- ✓ Timely and coherent delivery of **Grade A office space where demand exists and is commercially viable**
- ✓ **4,500 new houses and apartments in the Dublin area** over the period to 2016 (Construction 2020)
- ✓ **Significant additional housing in the Greater Dublin area beyond 2016 – sites with planning potential for extra 20,000 homes** (Construction 2020)
- ✓ Facilitating **delivery of new homes elsewhere in the country** in line with demand

Dublin Docklands SDZ – strategically important



- ✓ 75% of undeveloped land in the SDZ is security for NAMA Loans
- ✓ Detailed Business Plan prepared
- ✓ Initial strategies prepared for the 13 individual sites in which NAMA has an interest
- ✓ Sites ranked as either Tier 1 (planning/delivery strategy well advanced) or Tier 2 (detailed feasibility analysis underway)

Dublin Docklands SDZ – strategically important



- ✓ 4 sites sold into QIFs in which NAMA holds minority stakes
- ✓ 2 sites in Tier 1 category (Boland's Mill, North Wall Quay)
- ✓ Exposure to potential 3.4m sq. ft. commercial space and 1,900 residential properties
- ✓ Willing to support infrastructure delivery on cost recovery basis

Residential development – where is it needed?

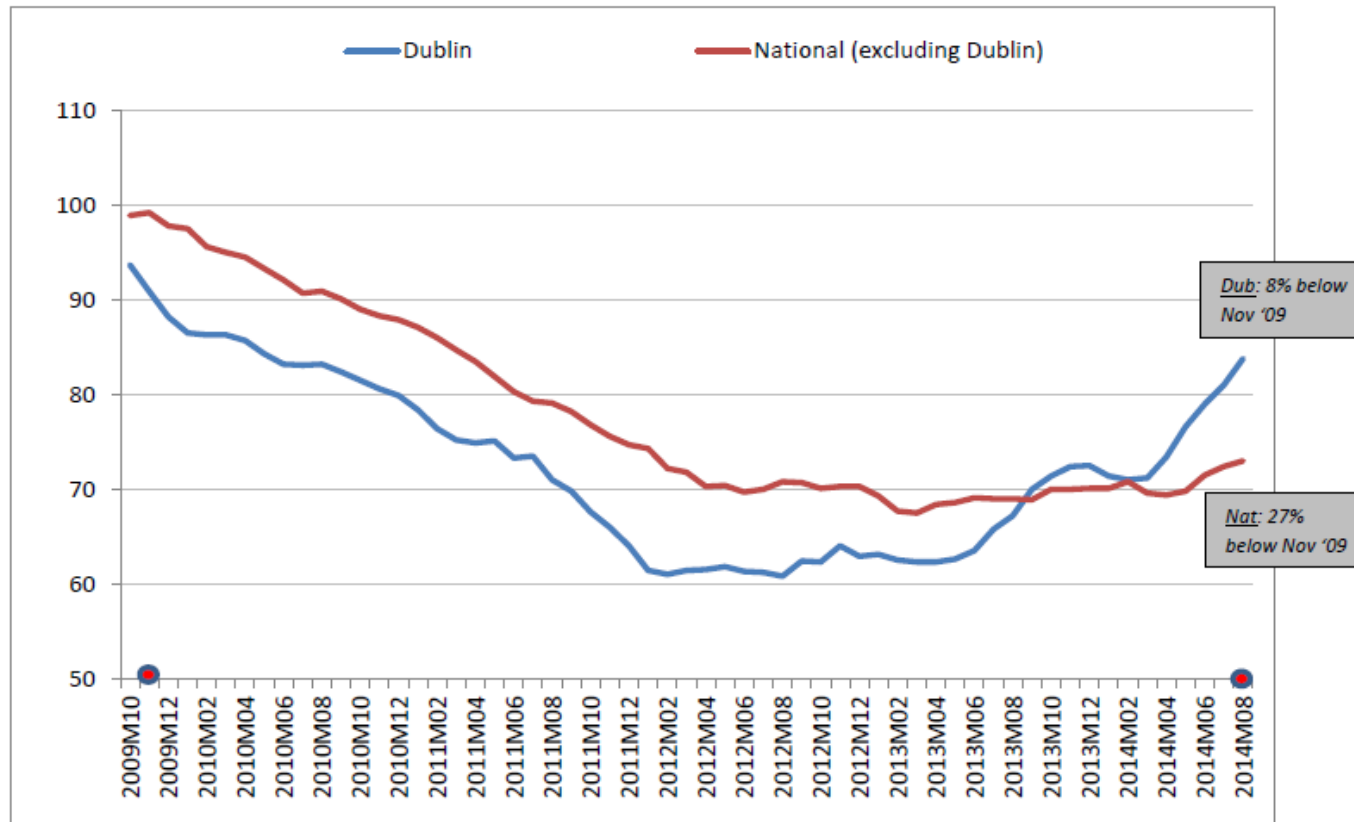
NAMA-funded ESRI research into housing market



Where will future housing be needed

CSO House Price Index – NAMA acquisition v today

CSO House Price Index Nov 2009 – Aug 2014

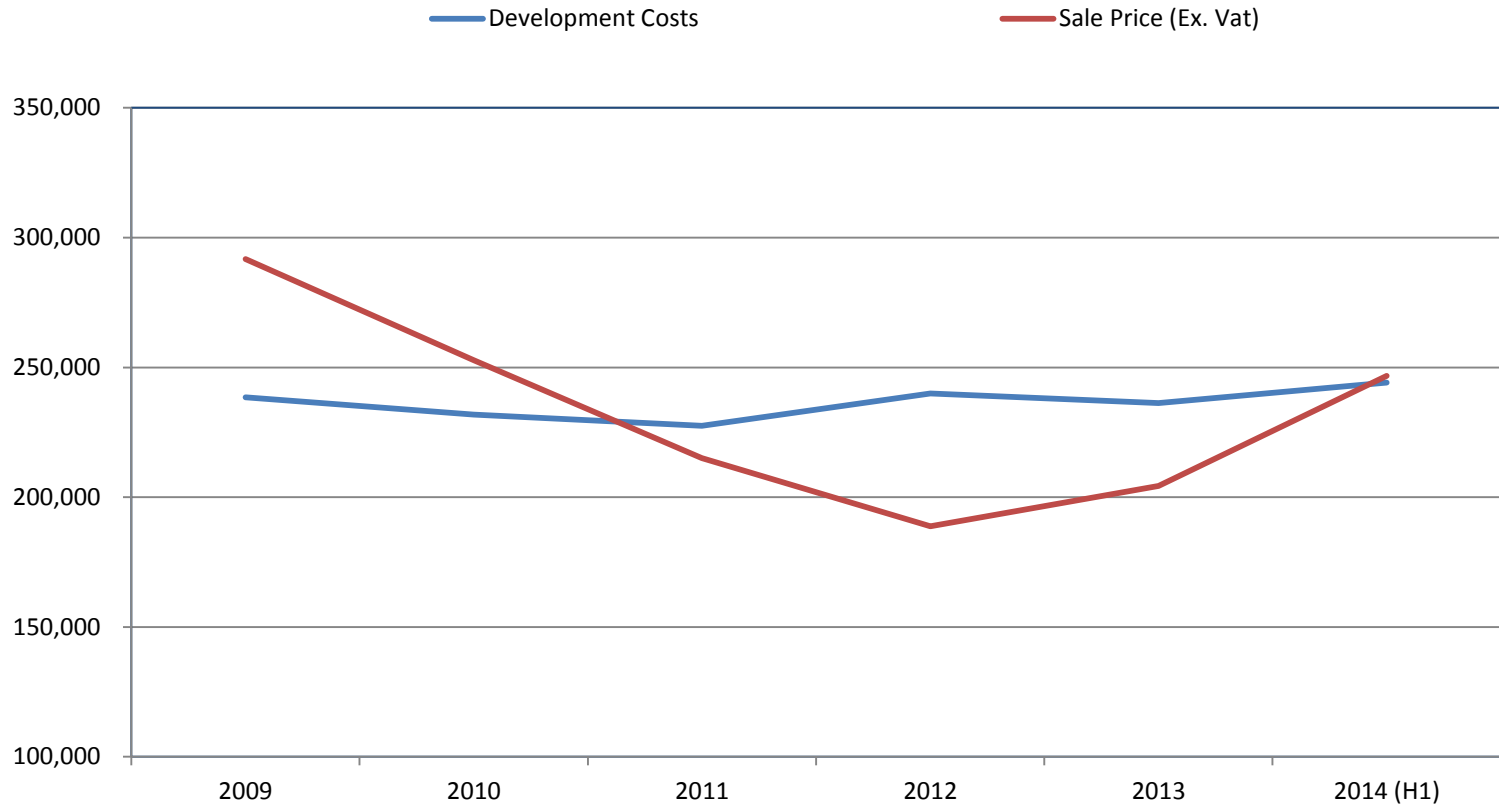


Source: CSO

Notes:

- Residential Property Price Index Base Jan 2005 = 100
- Chart includes houses only, i.e. apartments excluded

Feasibility remains marginal on most residential schemes



Development feasibility study – based on 3-bed semi-detached house in North Dublin and assumed profit on costs 15%

Residential development – Tiered approach

➤ 4,500 Tier 1 (SHOVEL READY)



Millers Glen | Swords, Dublin

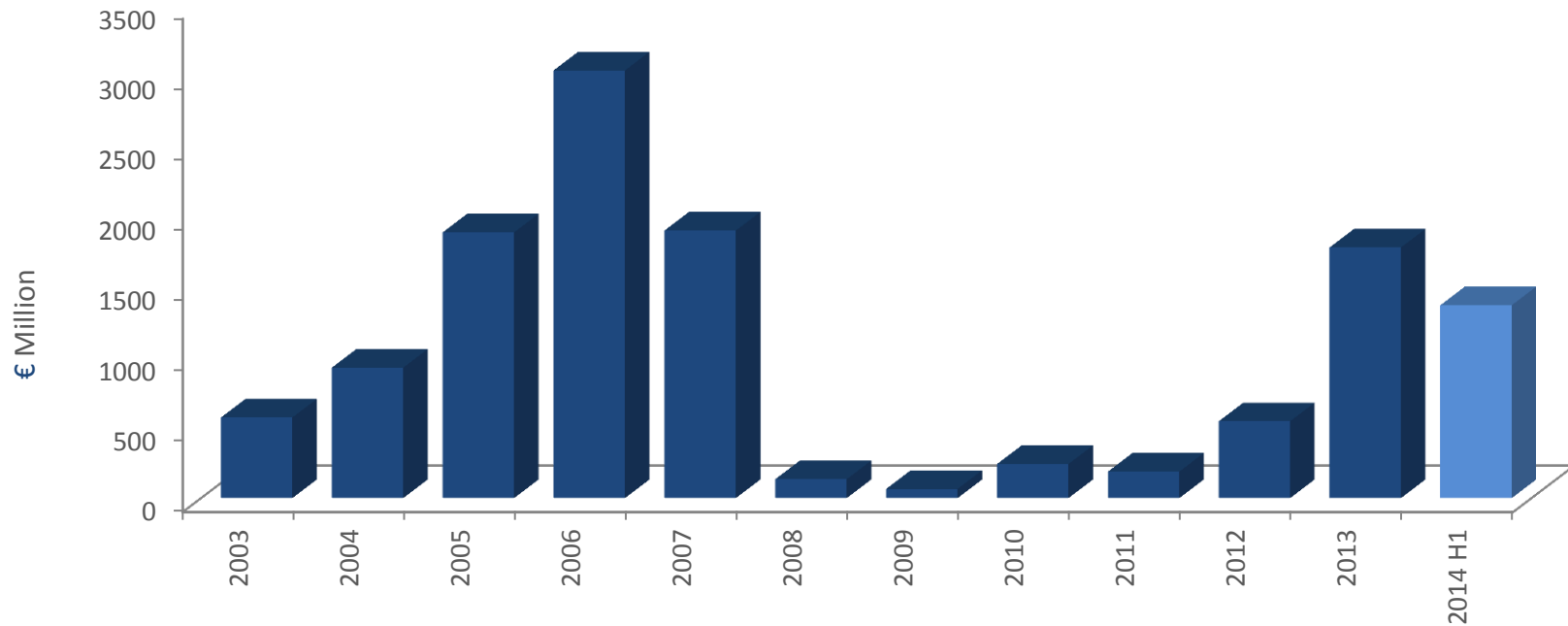
➤ 25,000 Tier 2 (18 MTHS+)
& Tier 3 (24 - 48 MTHS)



Castlepark | Maynooth, Co. Kildare

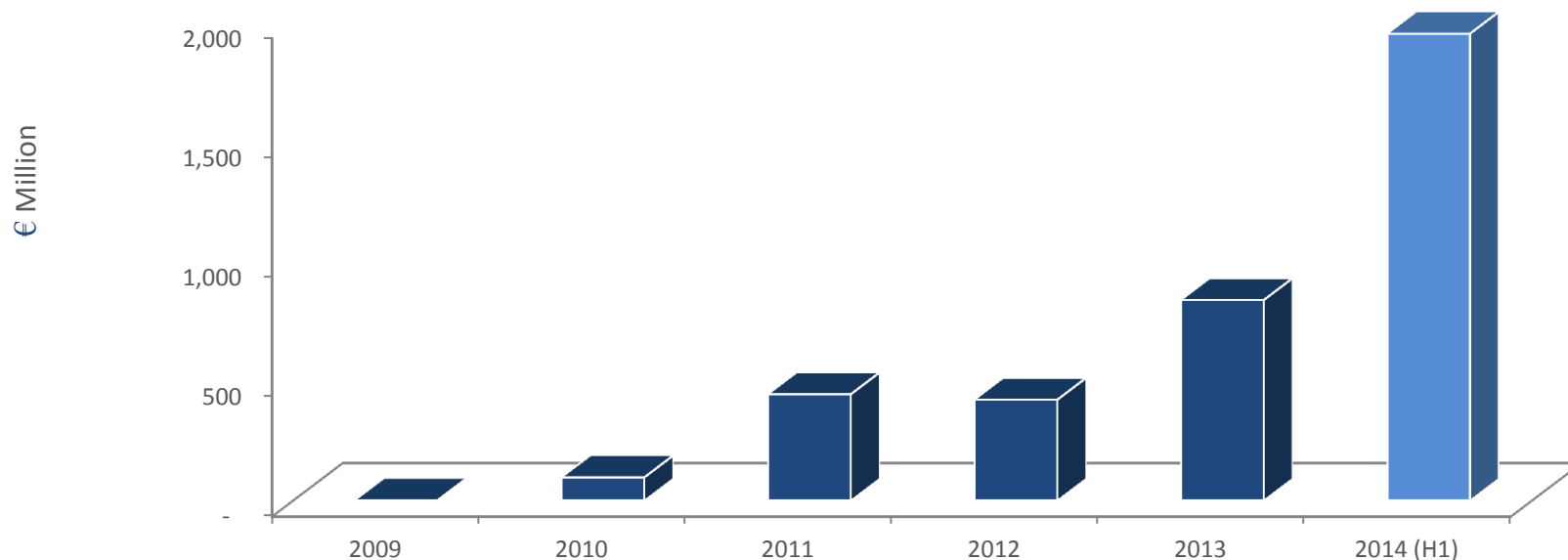
Recovery in Irish property market

Volume of Irish Commercial Property Investment (Ex Loan Sales)



Phased and orderly approach

NAMA Sales in Irish Market



- Less than 5% (by value) of the Irish property portfolio securing NAMA loans had been sold by the end of 2012 (deliberate “hold” strategy)

Property portfolio sales – min. €250m every quarter



Platinum Portfolio | Office Portfolio



Acorn Portfolio | Shopping Centres



Orange Collection | Residential



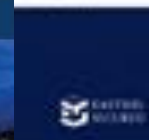
Project Venue | Hotel Portfolio

Portfolio sales to be launched to the market in Q4 2014

- ✓ Two portfolios of **Dublin offices**, one of which will include 4-5 Grand Canal Square
- ✓ One **retail** portfolio, comprising five regional shopping centres
- ✓ One **residential investment** portfolio, comprising apartments in seven areas in Dublin
- ✓ One **hotels** portfolio, comprising regional hotels

Loan sales – major feature of market

- **22% of all closed European loan sales in H1 2014**
- **Ireland has a developed loans sales market**



Facilitating Foreign Direct Investment (FDI)



Grand Canal Square, Dublin 2

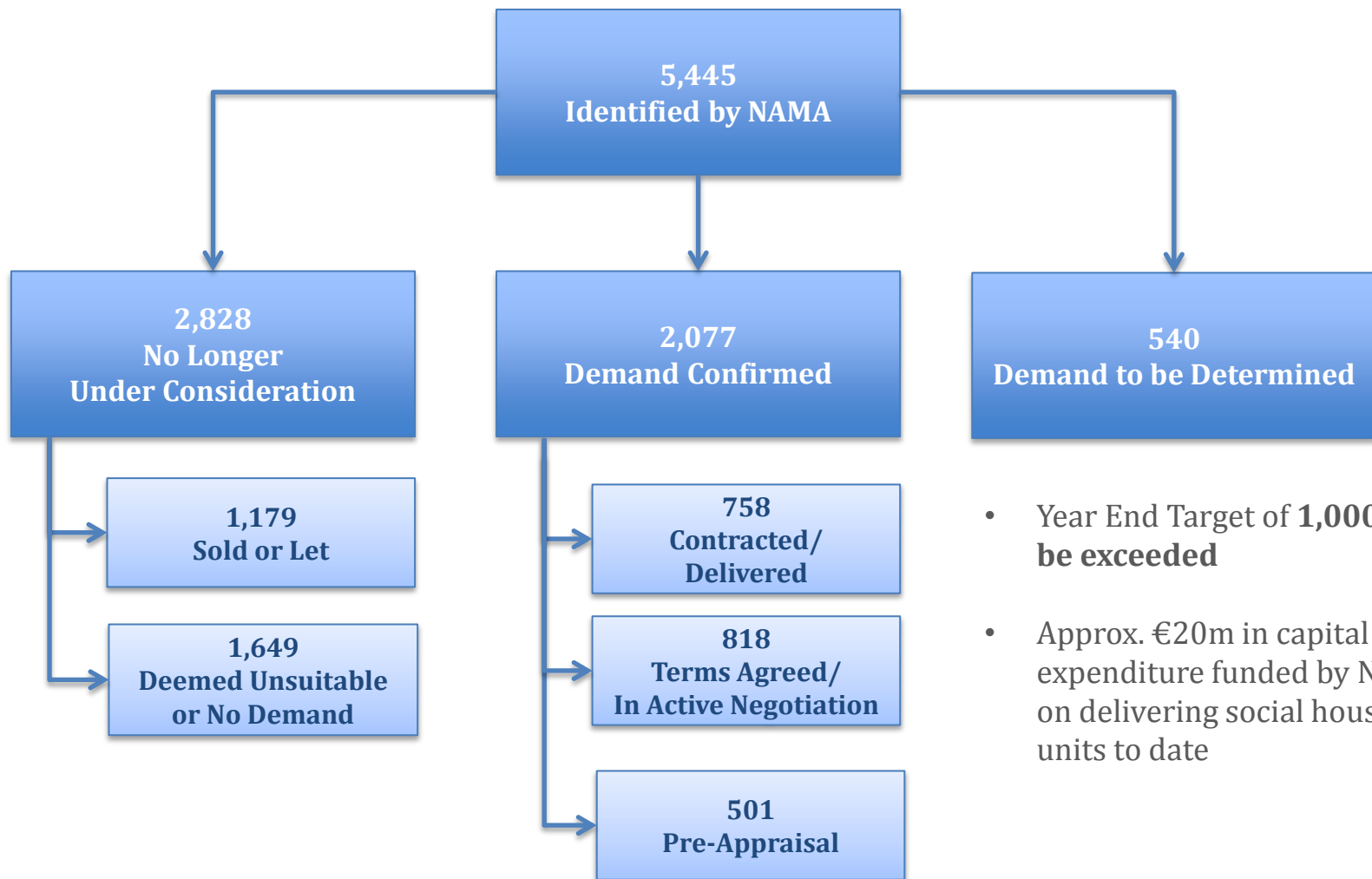


Burlington Plaza, Dublin 4

Supporting Irish trading businesses

- ✓ **15,000 jobs supported in trading businesses linked to NAMA loans**
- ✓ **€20m in annual rent abatements**
- ✓ **€40m in long-term rent lease restructures**
- ✓ **Focus on job retention – Elverys (700 jobs), Powerscourt (300 jobs)**

Social Housing delivery – almost 5,500 units



- Year End Target of **1,000 will be exceeded**
- Approx. €20m in capital expenditure funded by NAMA on delivering social housing units to date

NARPS projects



Before

The Tannery, Bandon, Co Cork
24 houses
Lease with NABCO



After



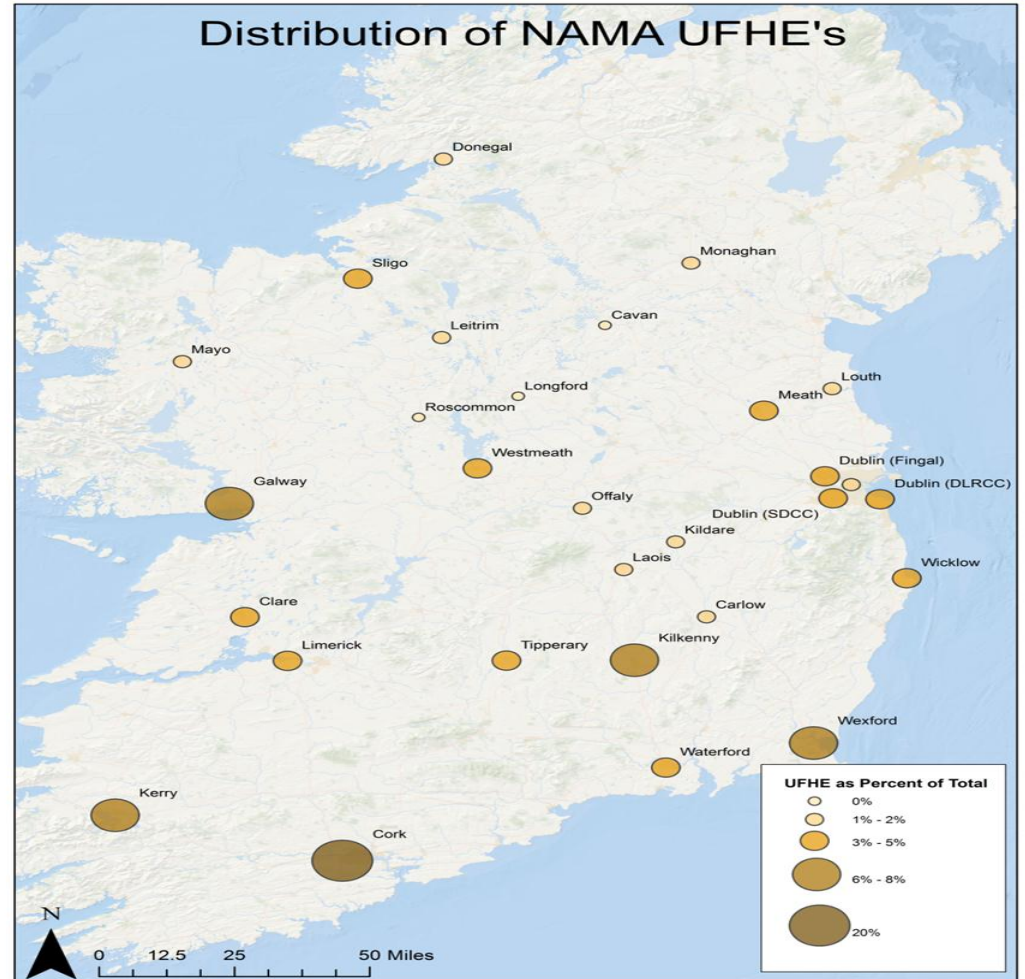
Baldoye, Co Dublin
20 apartments
Lease with Túath Housing



Woodfield House, Blarney, Co Cork
12 apartments
Lease with Túath Housing

Unfinished housing estates

- ❑ NAMA is funding the cost of remedial work on these estates – Cork, Galway, Kerry, Kilkenny, Limerick, Tipperary & Wexford
- ❑ Expenditure to date of €5M
- ❑ Emphasis on **SITE RESOLUTION PLAN** process in partnership with local authorities



Achieving Construction 2020 vision

- ❑ Need for strong, well-managed, well-funded construction companies CAPABLE OF WITHSTANDING downturns – access to equity
- ❑ Market that responds better to supply and demand signals – signals went haywire in the last decade
- ❑ Banks that fund development properly – with proper checks and balances
- ❑ Other sources of funding – private equity, international and domestic funds
- ❑ Planning and development system that responds appropriately
- ❑ **NAMA €4bn funding one part of the solution – important role**



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