

Press Release

SCS / IPD INDEX ANNUAL RESULTS PRESENTATION

- Property remains the best investment - it out-performs other asset classes over the short & long term, says SCS President

Commercial property investment in Ireland delivered the best returns to investors in 2007, generating annual returns last year of 9.9%, far out-stripping the performance of government bonds at 1%, and equities which produced negative returns of minus 24%.

The latest annual property investment performance index produced by the Society of Chartered Surveyors (SCS) and IPD (Investment Property Databank) illustrates that commercial property investment remains very resilient, notwithstanding the reduction in values towards the end of 2007. All property types performed well, even if well down on the 2006 returns of c.27%, with office investments producing the best results at 11%, approx.

The published research also illustrates that commercial property out-performs other asset classes in the medium and longer term, generating average annual returns of approx. 22% over the last 5 years, and 15% over the last 24 years (when the index began), compared with approx. 18 and 14% respectively for equities.

Speaking at the launch of the index, Felix McKenna, president of the Society of Chartered Surveyors, said that “the continued resilience of commercial property in Ireland explains the Irish investor’s love affair with property”.

“Continuing healthy returns in the short, medium, and longer term, together with the security of bricks and mortar, ensures that investors continue to be attracted to commercial property”, commented Mr. McKenna.

The results were presented at the launch by IPD senior researcher analyst Angela Sheehan. Also addressing the event was Dr. Dan McLaughlin, chief economist at Bank of Ireland, who offered encouragement to the property sector by predicting at least two interest rate reductions during 2008 after last week’s ECB statement, with the first reduction of 25 basis points likely by this April, and a further reduction later in the year.

Dr. McLaughlin went on to say that the continuing rise in residential rents indicates that the underlying requirement for housing remains strong, and as affordability improves with interest rate reductions, activity in the residential sector is expected to improve later in the year.

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Note to editors: The SCS now has over 1,800 qualified members and a further 1,000 students and probationers. Members include quantity, planning & development, building, rural, and specialist surveyors, as well as general practice surveyors working in the valuation area, countrywide.