



Investment abroad new income option

Farmers are
looking to US
to protect their
income, writes
John Daly

**As the
farmer
who won
the lottery
said when
asked
what he
was going
to do with
his
winnings**

— "Keep farming
until it's all
gone"

WHILE the expected 'soft landing' of the Irish property market has arrived with falling house prices all over the country, the appetite for good investment opportunities overseas continues unabated. According to the latest report from property advisors, Jones Lang La Salle, Irish investors spent €3billion buying foreign properties in the second quarter of 2007, bringing the total spend already this year to €5bn.

Property has been at the backbone of our economic expansion over the past decade. Ireland has over 100,000 farms covering 4.3m hectares of land valued at over €700bn. As traditional farming revenues have declined more and more

farmers are looking for new ways of leveraging their assets to provide new income. Many are turning to property investment, and releasing equity in their land to invest in residential and commercial properties at home and abroad. The return can be far greater than simply investing your savings as a bigger investment will give a greater return as property values increase.

The Investment Property Exhibition at the championships this year promises to eclipse the successes found at the event last year when 50 exhibitors showcased investment properties in 45 countries. The centrepiece of the 2007 exhibition will be the free educational seminars, spread across the 3 days of the exhibition.

"The seminars talk about what to do and how to become educated so that you

can make the right decisions about your next investment," says Conor Leech, Marketing Manger of the Investment Property Exhibition. The objective of the seminar programme is to provide visitors with the knowledge they need to make an informed and profitable investment decision.

"Irish farmers are taking advantage of the fact that their property prices are substantial here, but that farm incomes are very precarious and will be more so in the future, and they are taking advantage of the opportunities that are abroad," says Phillip Farrelly, agricultural consultant with Farrelly & Mitchell. "Many farmers are releasing the value of some their holdings and they are investing some of that money in foreign property."

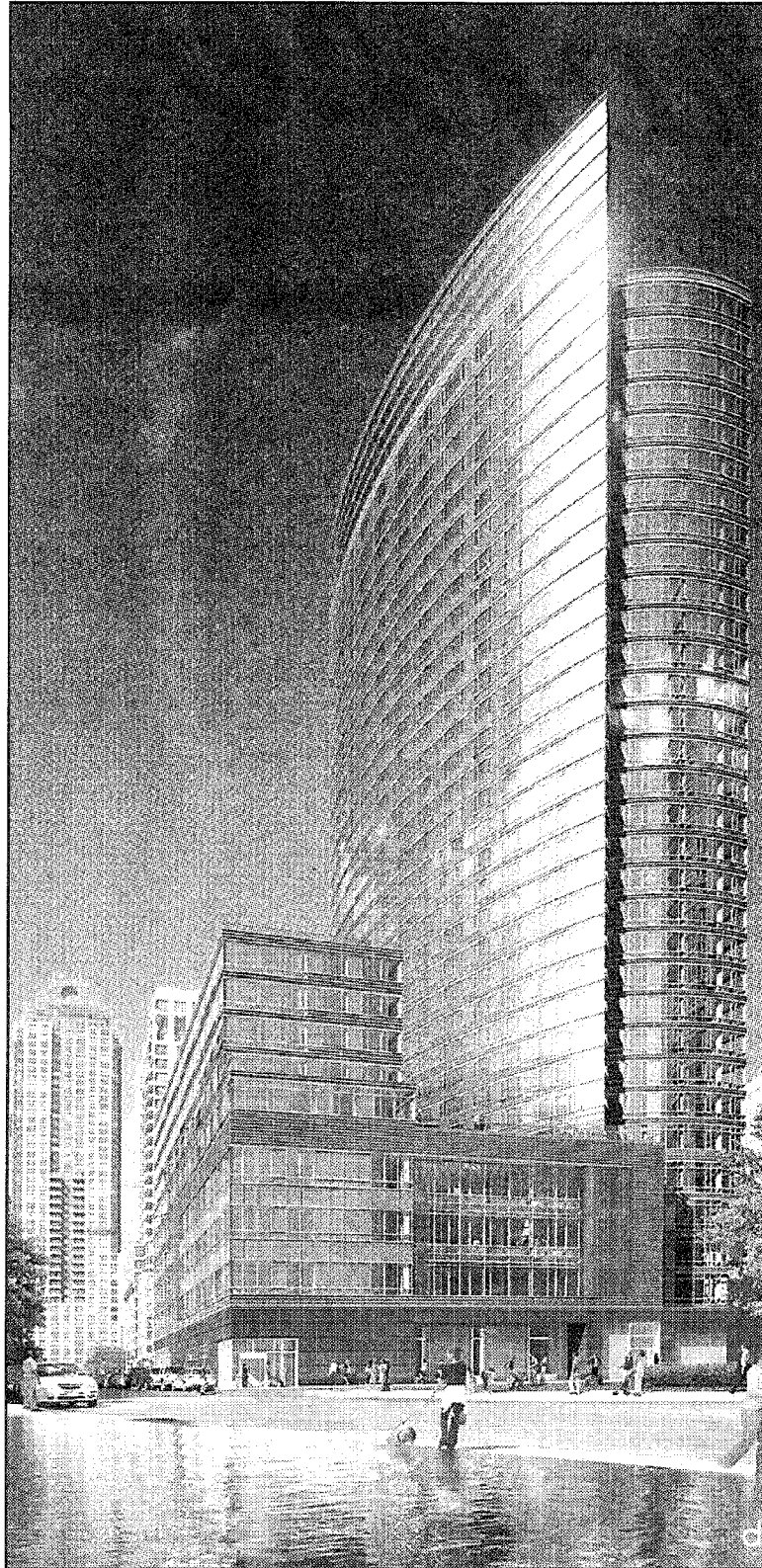
An example of this forward planning was one 2006 deal where than 100 Irish farmers came together to fund a €157.8m development of a championship golf course and the construction of 550 condominiums in Florida. The pioneering deal was masterminded by Farrelly and Mitchell, managers for Green Oak Holdings LLC, a US-based company, which is lead partner in the development. The investor equity was supplemented with bank debt, bringing the total of this actively managed fund to approximately \$25m (€19.6m) and growing. The company acquired its first asset, a retail centre worth \$5.5m (€4.3m) in December 2005 and development land in a joint venture arrangement in early 2006.

Acquisition of lands to be developed into a mix of residential, championship golf course and commercial properties is their third strand of the investment. The investment period will be seven-10 years and it is projected that this will generate an internal rate of return in excess of 15% after tax. Malachy Mitchell said he expects more farmers making this kind of investment.

"Many progressive farmers are investing 'off-farm', to capitalise on the value of their land, generate additional cash income and spread their assets for retirement. In light of the price-cost squeeze being experienced on farms today, it is now more critical than ever for farmers to be fully aware of their asset potential," he said. "Following this success, we are now targeting further investments in commercial property and development land in Ireland and overseas."

**The replica
Famine ship
Jeannie Johnston
arriving in Florida,
a state where
irish farmers are**

**making their first
investments.**



America property fund offers new opportunities for farmers to protect their income .

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Farrelly and Mitchell buy Belfast property

Off-farm investment specialists Farrelly and Mitchell have acquired a prime office property in Belfast on behalf of a group of private farming clients. The property is a landmark headquarters building currently let to the Department of Finance and Personnel and is situated in a prime location in Belfast's premier office campus; that is, the Gas Works on the Ormeau Road.

The Belfast property was acquired on behalf of the investment vehicle Elm Private III, which is made up of a number of investors, primarily Irish farmers.

The property was acquired for Stg£11.7 million (c. €17.2m) and has a lettable area of 57,000 sq ft.

Farrelly & Mitchell invest in Belfast

THE Elm Private 111 investment consortium, which is comprised primarily of Irish farmers, have clinched a €17.2m deal on a landmark building in Belfast.

The building, on the 'Gas Works' on Ormeau Road, is currently leased by the Northern Executive's Department of Finance and Personnel. The deal was brokered by the Dublin-based Farrelly and Mitchell firm. The purchase price reflects a net initial yield of 4.5%.