



Jamie Rohan

BARRY CRONIN

# “I’m very proud to be in the position I’m in, looking after the company”



Róisín Burke

**The Rohan group avoided the carnage of the crash, and managing director Jamie Rohan is ready to get building again**

One of the first things Jamie Rohan says to me is that his property business is back developing again and how good that is. It’s a refrain uttered several times as we chat, with a mixture of pride and relief, after a seven-year hiatus that must have felt like a nuclear winter for many developers.

We’re at his offices on Dublin’s Harcourt Street, in the boardroom, at a very traditional antique-looking table, sipping coffee from the kind of china teacups your mum might have for visitors.

There’s no modern open-plan all-white decor. It’s refreshingly sedate and old-fashioned.

That’s fitting, because the key to the survival of the Rohan group during the property market carnage that took down so many of its peers was a certain solid conservatism.

While there was a battening down of the hatches, and a multimillion write-down of the property portfolio, and development ground to a halt, the business emerged from the crash with a cash pile and no Nama liabilities.

Unlike almost everyone else, it hadn’t leveraged wildly with Anglo Irish Bank and others just because it could.

Now Rohan is preparing to build things and buy things. The business, one of the oldest and biggest homegrown Irish property outfits, is primed to take advantage of what’s being dubbed by property players as “the work-out of the work-out”.

“At the moment, you hear that expression a lot,” Jamie Rohan tells me. “It’s all part of the work out of where we’ve come from. The way it has gone so far is that things have been bundled into portfolios and sold in tranches of €100 million or €200 million, or bigger.”

So while the big distressed debt buying international funds have swallowed up big distressed loan books, it’s been harder for indigenous players, with fewer, more bite size investments available.

“From our side, that’s presented a little bit of a challenge, as there hasn’t been the level of opportunities that we would have liked,” Rohan says.

The next phase of the property collapse aftermath should see more investment by lower risk investors such as pension funds and local property operators. It will also see existing big fund buyers beginning to develop their acquisitions, or else sell them on in more affordable individual lots.

“There hasn’t been much development in the city so far and the funds that have bought these big portfolios are not positioned to work them out to completion,” says Rohan.

“So they’ll either dispose of them or bring in a joint venture partner, which means for the likes of ourselves who are well positioned in that regard, it should be a natural progression.”

If a fund has a site and it doesn’t want to get into development, that’s where it would be a natural marriage with Rohan’s business. “We’d both provide the equity and develop out and take risk accordingly. There are very few people building at the moment, literally a handful. Denis O’Brien is developing [a high end-office block on St Stephen’s Green]. Larry

[Goodman] down on Baggot Street, the Comers out in Ballsbridge, then ourselves and a few others.

“That’s not many for a city this size, and for the demand there is. So 2015 and 2016 will be a time where requirement for offices will exceed what’s there, and we want to build into it.”

The Rohan business was started by Jamie’s father, Cork-born tycoon and boom-era Fianna Fáil patron Ken Rohan, who is still majority shareholder with Jamie. His brothers, Ken junior and David, and his sister, former Nama portfolio manager and now Kennedy Wilson director, Ali, all hold equal stakes.

“My father is actively involved, as you’d expect,” says Rohan. “Dad gets involved when things start getting serious. It’s great, we talk every day.”

Rohan senior is estimated to be worth in the region of €200 million.

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When Jamie took over in 2009, the group had seen writedowns of over €12 million and losses of over €9 million. But there had also been a savvy asset sell-down in 2007 that raised millions, and there was still a chunky €80 million retained profits.

He will bridle at the description, but during the boom, the young Rohan starred in many gossip columns as a “Porsche-driving millionaire”, with much interest taken in his relationship with a model and former Miss Ireland.

He’s now married to successful fashion designer Lucy Nagle, who also attracts a fair deal of coverage, featuring breathless references to wintering in Barbados and a circle of friends that includes Dermot Desmond’s son Brett and his pop star wife Andrea Corr.

Where some developers embrace this exposure with gusto, the Rohans are highly resistant to it, and only relish publicity when it serves a commercial purpose. As it does now.

A former strategy management consultant with Accenture in London, Jamie first joined the family firm in 2003, so he did get to enjoy the best of the boomy good times before taking the reins in the scary years.

It must have been some baptism of fire, property prices plummeting, firms going under, the banks flailing.

“It’s been an interesting cycle,” he says.

“The focus was really initially just making sure that what we’d built up over the last 40 years was solid. So the first thing to do was shore everything up and just make sure our tenants were happy and the portfolio was performing and adjusting our valuations to the new reality.”

“I’m very proud to be in the position

“I’m very proud to be in the position I’m in, looking after the company,” he says. “It’s enjoyable.”

By 2011, with cash and no debt gearing, the group had reached a point where it was ready to avail of the bargain basement property prices the collapse offered up. The group has about €145 million worth of assets in investments, land and cash and almost no debt.

“We were looking for opportunities at that stage and a position from which to move forward to buy the right investments, and they were very, very hard to find. It was really 2013 before the market got quite active on that front,” he says.

One of the biggest problems that Rohan has is not being able to buy enough of what he wants.

The group is pursuing deals of up to €25 million – the scale that the business can take on and fund by itself.

For bigger ventures, it will seek to link with large funds – possibly among the firms that have become household names here like Lone Star and Pimco, or pension fund investors or wealth syndicates.

Its latest development is the former McConnell House at Charlemont Place in Dublin 2, near the Luas stop and the Hilton Hotel, which developers Jerry O’Reilly and Bernard McNamara had ambitions to build before falling into the clutches of receivers.

It will be a €30 million-plus six storey office development, with a likely rent roll of €3 million a year.

Rohan bought it from Ulster Bank’s distressed asset arm West Register before Christmas for considerably more than the €4 million asking price, but at a deep discount to the €10 million that O’Reilly and McNamara paid.

The group has also completed a high end revamp of its Grand Canal Plaza office complex in the area, and say a big name tenant is moving into the Silicon Docks-based building where other residents include Google.

Rohan has at least run the rule over most of the big commercial property auctions that have come to market. In a team-up with global property investor and serial Irish distressed property loan bidder Orion Capital, it was an underbidder on the €40 million Burlington Road site, where Johnny Ronan’s consortium ultimately triumphed.

Rents are rocketing in Dublin’s central districts of 2 and 4, due to an ongoing shortage at the prime end of the office market.

“Rents are working their way through the late €40s into the €50s per square foot and I think, given the lack of supply in the market at the moment, it’s safe to assume by year end it’ll be comfortably in the €50s, even into the high €50s,” Rohan predicts.

They’ll hit the €60s and then come back a bit, he thinks. That’s a doubling on two years ago.

Rohan is looking at two or three more prime office acquisitions at present.

“There’s a certain amount of cash there to be progressed to do some of these projects and then we have the investment portfolio that we can borrow against. There is gearing to be done, though we’re obviously rather conservative in terms of that.”

Rohan says traditional bank finance is still limited. “I think it will come, and I think there’s a very good business for it because there’s a very blatant need for more offices in Dublin.”

As reported recently in this newspaper, the group is also embarking on a new departure by entering the home building market, something it hasn’t been involved in for decades but sees as ripe for opportunities, if the deals on development land can be won.

## CV: Jamie Rohan

**Role:** managing director of Rohan Holdings

**Age:** 39

**Lives:** Dublin

**Hobbies:** an avid golfer, he also enjoys hiking and travel

“We’d like to have the three different sectors in our development sphere – commercial, industrial and residential. The residential is the one that is currently eluding us. We would like to have two or three sites working at the same time, delivering houses on a phased basis.

“Our ideal project would be second-hand homes, really. Three and four bed semis and detached houses, that type of

bracket.” The main issue is availability of sites to acquire, he says.

The less glamorous but steadily lucrative bread-and-butter business is vast tracts of industrial land and business parks. If you’re driving through north Co Dublin, you’ll see Rohan signage all over the place.

There are swathes of strategically located lands around the M50, including Dublin Airport Logistics Park, where Eason has its headquarters and DHL has a huge base. There is planning permission for 200,000 square feet of units across these properties.

The Rohan group of companies consists of Airspace Investments (which holds its primary investment assets), Rohan Holdings (which holds its land and funds its development projects) and Rohan Project Management and Rohan Estate Management.

Rohan is not the only homegrown family property firm re-emerging. The

Harcourt Development Dohertys are re-kindling activity, the Kennys of Clancourt Group are very active and the midlands Bennett family are a regular joint venture partner of global fund Oaktree.

Rohan makes his life away from the office sound blandly quiet. “I play golf nearly every weekend; it clears the head. I enjoy travel. I do as much as I can, we try to get away a few times a year.”

He does a lot of walking, he says, and likes watching rugby. He lived in London for five years, and likes to spend time there.

He and his wife, who runs her own cashmere clothing firm, are starting a family, with a first child due imminently. He entertains questions about his personal life with polite good grace but zero enthusiasm. We’re soon back to business.

“Today, it’s a very positive environment,” he says. “The conversations we’re having today are very different to what they used to be, which is good.”

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