

# MARKET MOVER: NIALL DINEEN

Niall Dineen is chief investment officer at Appian Asset Management. Appian manages the Appian Burlington property fund, which was established in November 2016 and invests in office, retail and industrial property in cities and large towns throughout Ireland. Dineen, pictured, joined Appian in 2016 as a senior fund manager after spending 16 years with AGF, a global asset management group based in Canada, in senior investment roles. The fund is a qualifying investor fund and the minimum investment is €100,000.

## Fund philosophy

The fund targets locations outside Dublin city centre — focusing on the greater Dublin area and urban centres. “Even at this stage, Dublin suburban office values are still below their replacement cost and our view is that rental levels will continue to rise in these areas,” said Dineen. “In



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addition, prime provincial retail rents are still less than half of their peak level and our view is rental levels are likely to increase over the next few years.”

According to Dineen, this creates opportunities in these locations across a number of property classes. The fund’s initial acquisition activity has been focused on retail and office space but it is now preparing to make its first investments in industrial

property — primarily logistics and distribution centres.

## Performance

The fund’s net asset value per share increased 6.47% in the quarter to September 2018, bringing the total increase in net asset value per share so far in 2018 to more than 13%.

“The performance has been exceptional this year,” said Dineen.

In the medium term, the fund is targeting annual returns of 8% to 10% after all costs, inclusive of 5% income.

## Buying and selling

The fund typically spends between €5m and €15m on individual properties. It has to date acquired seven office and retail properties with a combined valuation of €43m in Dublin, Cork city and Drogheda, Co Louth.

“Our focus for our next set of acquisitions is on the industrial sector,” said Dineen. “We’re also preparing to raise additional equity as the opportunities are there and we want to be well placed to take advantage of them.”

According to Dineen, the

fund intends to invest up to 20% of its total in industrial property, with the remaining 80% broadly divided between office and retail.

## Outlook

Dineen feels the outlook continues to be very strong for the fund. “We have a rental yield of 6.9% per annum. That underpins our outlook and gives us confidence alongside the increased valuations we’re seeing on the properties we’ve already acquired.”

He sees continued potential upside in valuations but is conscious of an ongoing need to be selective.

“There are a couple of potential bumps that may affect investor confidence and which we’ll need to watch out for — such as Brexit and the potential for restrictions on global trade flows. But with the right approach to risk, leverage and property selection this is a space that offers attractive opportunities,” he said. ■