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July 2, 2013 11:11 pm

# Former Coke chief Neville Isdell invests in Dublin retail space

By Jamie Smyth in Dublin

Neville Isdell, the former head of Coca-Cola, is the latest high-profile investor to bet on Ireland's recovery, spending €10m on a flagship retail development in Dublin, which cost €45m to develop during the Celtic Tiger boom.

The sale of the CHQ building, a 19th century warehouse, was announced on Tuesday as new research by real estate agency CBRE showed €603m of commercial property transactions closed in the first six months of this year, more than the figure for the whole of 2012.

A separate report by Deloitte forecast that Irish banks seeking to shrink their balance sheets would probably sell €5.2bn in property loan portfolios this year.

"I think Ireland has turned the corner," Mr Isdell told the Financial Times. "There is still pain ahead but if you don't invest when there is some risk you don't get the returns."

Mr Isdell was born in Northern Ireland and grew up in Zambia. He worked for Coca-Cola for 43 years and came out of retirement in 2004 to become chief executive and chairman of Coca-Cola during a difficult period for the company.

Commercial property prices have fallen by more than 60 per cent from their peak in 2007 in Ireland following the bursting of its property bubble and a financial crisis that eventually led to an international bailout in November 2010. But over the past 12 months international investors have begun to bet that the worst of Ireland's economic crisis may be over.

Last year Russian billionaire Elana Baturina bought the Morrison hotel in Dublin for €22m, and Israeli-born investor Igal Ahouvi spent more than €10m on a number of Irish retail and commercial properties.

Private equity groups Kennedy Wilson, Lone Star and Apollo have also been active in the market, buying individual flagship properties and loan portfolios.

"There is strong demand for prime Irish real estate, particularly in Dublin, as has been evidenced by the volume of transactions and the pricing achieved for some trophy assets over the first six months of 2013," said Marie Hunt, CBRE's executive director of research.

CBRE said income return, or yield, on Irish commercial property had strengthened faster than expected, with prime office yields in Dublin in the order of 6.25 per cent and prime high street retail yields reaching about 5.75 per cent.

Dublin has introduced incentives to attract investment into its property market, cutting stamp duty from 6 to 2 per cent, providing temporary relief on capital gains tax and reversing its controversial plan for legislation to allow commercial tenants to remove upward-only rent review clauses from their leases.

Mr Isdell is a director of [General Motors](#) and chairman of the World Wildlife Fund in the US.

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