

The new face of Naas

Last year, Gerry Prendergast and his partners put together a €315m deal to buy Millennium Park in Co Kildare. Now they're turning it into an adjunct of Naas and what they hope will be a model for other business parks in Ireland

Gerry Prendergast and his two business partners bought a place in Irish property history last year when they paid €315 million for Millennium Park, a 408-acre plot of land in Co Kildare.

The deal came after a nine-month auction process involving up to a dozen potential bidders, and represented the highest price ever paid for a single tract of land in Ireland. While property developer Sean Dunne has since paid more cash to acquire adjacent sites in Dublin 4, the Millennium Park deal remains the single most expensive land transaction ever in Ireland.

"At the time, it was a very big deal, but within months it became a small one," said Prendergast. "The most challenging part of it was putting the finance together, but I have good business partners and we were able to sort it out."

Prendergast's business partners are Paddy Sweeney and Tom Considine, two relatively low-profile property developers from Galway. Both men had made their fortunes and their reputations from building houses and commercial developments around the country, but they remained largely unknown outside property circles.

That changed somewhat with the Millennium Park deal, which was their biggest property play by some distance. Not only did they acquire the 200-acre Millennium Park business park, they also secured another 200 acres of adjoining land at Osberstown, just outside Naas, Co Kildare.

Of the 400 acres, 75 per cent is zoned for development, including a 23-acre stretch which is zoned for high-density residential development. Almost half of the entire site is zoned for general business development use.

"We immediately recognised the potential of the site," said Prendergast. "It was in the right location, and had all the right infrastructure. It matches exactly the plans for the National Spatial Strategy and Transport 21, while it also fits in with the Kildare Development Plan."

"The site had the potential to become a vibrant community development where people can live, work and socialise in one of the best areas in the country. That was very attractive to us."

Before joining forces with Sweeney and Considine, Prendergast had spent 22 years



working with Ascon, one of the biggest construction and engineering companies in the country. Ascon had built much of the Millennium Park project, and Prendergast knew exactly what was on offer.

Prendergast and Sweeney knew each other from their schooldays, and they had previously teamed up with Considine to develop a housing scheme in Kildare. The opportunity to do something on a grander scale appealed to them all.

"I was 40, and I had gone as far as I could with Ascon," said Prendergast. "What do you do? Do you sit out the next 20 years waiting to retire, or do you try something different? I like a challenge."

While the original Millennium Park was primarily a business park, Prendergast said the new owners recognised the potential for doing something much more ambitious with the 400-odd acres. "We wanted to build a place where people could work and live in a pleasant environment, where they are sustainable jobs and good public transport," he

said. "It is an idealistic aim, but we think it is viable in the long term."

Over the past 14 months, the new owners have been busy developing a new masterplan for the site. The name has been changed from Millennium Park to Osberstown, to reflect the fact the land is part of the local community (Osberstown is the name of the nearest townland).

They have also been talking to local authorities, architects, town planners and businesses. A number of senior employees have been drafted in to bulk up the management team.

There are five core elements to the new masterplan for Osberstown. The largest is the original Millennium Park business park, which incorporates 62 hectares for office and commercial use. About 420 people are already employed in businesses in the park, but Prendergast said that figure would more than double over the coming year.

The Equestrian Federation of Ireland, State Street Bank and a large commercial vehicle distributor have committed to

'We are putting in houses, schools and shops. We want to create a community atmosphere that will complement Naas town'

taking space at the park. Prendergast said that talks were also ongoing with a large Irish plc and a health service provider about signing up.

The new plan also includes a special area for light and high-end manufacturing, called the Gateway. Prendergast said it would ultimately provide jobs for up to 500 people. "This is our business enterprise unit, for small and developing companies," he said.

Prendergast is particularly proud of the next three elements of the master plan. Instead of just developing a

business park, he and his two partners intend to create a new village, which will link up with Naas on all public transport and infrastructure routes.

"Everything here is planned and thought out by the local planners," he said. "It really is a model for how a development should be: everything fits together and is integrated." Osberstown will include an "urban centre", which will include hotels, shops, restaurants and conference facilities.

There are also plans to build about 1,000 houses and apartments in a new Village Centre,

as well as facilities for GPs, dentists and leisure amenities (which will be known as The Source). The planning process for the village is due to begin in the next three months, with construction scheduled to start early next year, if everything goes according to plan.

The developers have already been granted permission for a 70-bedroom hospital which will be operated by the Renaissance Medical Group.

"We are really trying to do something new and special here," said Prendergast. "We have had to look internationally for comparisons for what we are doing - in Sweden and in Britain."

"We have also looked at what had been done in Ireland before, and at all the problems that they have been forced to deal with."

Prendergast said 1,000 people would be employed at Osberstown - not including construction workers - by next July. He expects that number to double by July 2009. When the entire project is completed, it should provide employment for 6,000 people and accom-

modation for at least 3,000, according to Prendergast.

However, he said that the developers would not try to attract too many companies to Osberstown too soon. Instead, he said they would prefer to wait until they had the "lifestyle facilities" in place to deal with the new community.

"There is no point having 6,000 people working here with no facilities. People will simply become disgruntled. We are talking about creating a real work/life balance. So we will develop the site in stages when the time is right," he said.

One of the key elements of the Osberstown business model is attracting foreign companies to the area. Former IDA Ireland executive Tony Jones has been hired as Osberstown business development director, with the remit of luring in overseas companies.

"Corporates want to know about accommodation, schools, what sort of a town it is, what facilities will be on offer, what infrastructure is in place. Naas is better prepared than any other town in Ireland to roll out this model," said

Osberstown

Location:
Millennium Park,
outside Naas,
Co Kildare

Established: 2006

Shareholders:
Gerry Prendergast,
Paddy Sweeney and
Tom Considine

Background:
Prendergast, Sweeney and Considine paid €315 million for the 408-acre Osberstown site last year

Prendergast.

"We can build the right facility that the corporates want; they will be tailored to their requirements. They can lease the property, lease it with an option to buy or buy the property outright. We are flexible."

According to Prendergast, Naas was a perfect destination for multinational employers - near to the Dublin's workforce but outside the city. To help attract overseas companies, Osberstown is working with Kildare County Council to draw up a skills register for the region, highlighting the number of skilled workers keen to work in Kildare.

"We don't want to have people sitting in their cars for two hours every morning to get to their office. If a corporation moves here, they can overcome that, because employees are happy to work outside of the city. It makes all sorts of sense," he said.

"That is why we are putting in houses, schools and shops. We want to create a community atmosphere that will complement Naas town. Naas has become a dormitory town for Dublin now, and we want to change that."

Although he acknowledged the risks associated with any project of this scale, Prendergast said the backers expected to get a return on their investment within ten years. Furthermore, he said, he was not concerned about the recent slowdown in the property sector.

"This is not a boom-or-bust development, and it goes well beyond the current spate of developments," said Prendergast. "It is here for the long-term and it is sustainable in the long-term."

"This is going to live through a few cycles - both good and bad - but it is well thought out and there is a good business plan."