



Shannon offers a wide spectrum of industrial facilities ranging from prepared land to ready-built factories to suit the needs of industry and emerging businesses dedicated to technology and value-added knowledge-based activities.

Property Rentals

Industrial property rents are in the range €5.70 to €7.65 per sq ft per annum (€51.00 to €74.00 per square metre) depending on the size, condition and level of fit out of the premises.

Office rents are in the range €15.25 for shell and core to €18 per sq ft per annum depending on the level of fit out (€102 to €167 per square metre).

In multi tenant accommodation, a charge is levied by the landlord to cover basic running costs such as repair and maintenance, cleaning and janitorial services.

For companies seeking to build their own premises, fully serviced greenfield sites cost in the range of €300,000 to €400,000 per acre (€692,000 to €790,000 per hectare) depending on location and site profile.

Lease Terms

Commercial property in Ireland is most commonly acquired under lease. The contract is evidenced in writing and contains covenants and conditions governing the relationship between landlord and tenant.

Typical long term leases are for 20 years (or longer). It may be possible (subject to conditions) to negotiate break clauses at set points throughout the lease when the occupier can serve an agreed period of prior notice on the landlord and/or pay an agreed sum to the landlord to surrender the lease.

Long term leases are on full repairing and insuring terms which places the onus on the occupier for the upkeep and repair of the premises. Provision for assignment or sub-let in long term leases is standard subject to the consent of the landlord such consent not to be unreasonably withheld

Rent Reviews

Leases provide for increases in rent in line with market conditions at pre-determined points through the lease. For long term leases the standard is to allow for upward-only rent reviews at intervals of 5 years in line with prevailing market conditions.

Metered Water

The cost for metered water for industrial use is €4.04 per 1000 gallons. A minimum annual charge for metered users of €281.00 applies. This includes a charge for waste water disposal and treatment. For non-metered users a flat charge applies. This flat charge is calculated by reference to the rateable valuation of the premises in accordance with the following range:-

€174 under €25 Rateable Valuation

€270 over €25 and not exceeding €50 R.V.

€384 over €50 and not exceeding €76 R.V.

€522 over €76 R.V.

Electricity

ESB is the national provider of Electricity in Ireland. They operate 24 power stations nationwide with a total capacity of 4164Mw. Electricity is provided through a national grid comprising high voltage 110kV, 220kV and 400kV lines. Industrial users are typically supplied at 110kV or 38kV (high voltage) or at 20kV or 10kV (medium voltage). Low voltage supplies are also available at 230V. The cost per Kw hour for electricity averages €0.75.

Estate Service Charge.

An estate service charge is levied in industrial parks in respect of the upkeep and provision of common services and amenities such as road maintenance, landscaping and public lighting. Charges are levied pro rata with the amount of space occupied. For 2004, the charge for Shannon Free Zone is approximately €0.13 per sq foot per annum (€1.20 per square metre).

Other Costs

Stamp Duty is payable by the purchaser of commercial property on the purchase price at a sliding scale of up to 9% on the purchase price. Stamp duty on the same scale is also payable on the lease of premises at a rate of 1% of the annual rent where the term of the lease does not exceed 35 years.

VAT is payable on the purchase of a premises at the rate of 13.5%. In relation to leases, the amount of VAT payable depends on the term of the lease and generally amounts to 12.5% of the capitalised value of the lease. i.e. approximately 1.25 times the annual rent.

Business Rates are a form of local taxation payable to the local municipal authority (Clare County Council) which applies to commercial property only. The amount payable is based on a rateable valuation of the premises. The Rateable Valuation for a property is set by reference to the open market annual rental value of that property. For 2004 business rates are in the range of €1.00 to €1.50 per sq ft per annum (€9.00 to €11.00 per sq metre).

Planning & Environmental Issues

The system of planning and environmental regulation in Ireland is sophisticated and quite comprehensive.

Planning Permission is required before building or lands can be developed or their existing use changed. Generally, planning permission takes a minimum of 12 weeks to obtain. Complicated applications, involving for example the preparation of an environmental impact statement (EIS) or integrated pollution licence (IPC), will impact on the length of time the planning process will take. Once granted planning permission has a lifespan of 5 years.

The Environmental Protection Agency (EPA) operates the institutional framework for the control of environmental pollution in Ireland. Depending on the nature of the project, an IPC licence covering may be required governing water discharge, air emissions, solid waste disposal and noise pollution. The disposal of hazardous and non-hazardous waste is also regulated.



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October 2005