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COUNTING CRANES

2017 Construction Skyline - What does this Construction Lawyer See?

The short and indeed literal answer to this question, as far as this construction lawyer is concerned is – cranes. Eight cranes to be exact, from my office window on the south quays in Dublin. So what is driving this?

The answer to this question includes a significant increase in construction / development lending in this jurisdiction (and not only by traditional / domestic lenders), multinational companies and financial institutions continuing to establish here or to expand their existing presence in Ireland together with the re-emergence of project financing.

WHAT IS 'NEW' IN CONSTRUCTION

In addition to the more traditional investors and funders, there are a number of international private equity lenders and institutional investors who have entered the market and are actively seeking out the acquisition and development of investments and assets in Ireland. These private equity lenders and institutional investors are sophisticated, have significant experience in construction lending, they know what to look for in the context of a construction lending contract package and they focus on key issues. In addition to this, the more



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SAYS RHONA HENRY, HEAD OF CONSTRUCTION AND ENGINEERING AT MATHESON.

traditional / domestic lenders that we have previously seen in the market are now very active. Many of these traditional lenders have dedicated construction lending teams and they are very prescriptive in terms of their requirements for security over construction / project documents. Both types of lenders understand and focus on key issues including insurance requirements, caps on liability and budget control. This can be challenging in an environment where, equally, contractors have re-assessed their approach to projects and the risk profile that they are willing to underwrite generally in relation to such projects. Negotiations on construction security packages, however, generally have a well informed and practical focus to them which is sensible and right.

INTERNATIONAL COMPANIES

Another key driver of construction activity at the moment is the continued commitment to Ireland, of international companies and financial institutions doing business in and through Ireland. A “hard” Brexit may present great opportunities for the construction industry as Brexit related enquiries from financial institutions, in particular, pick up speed. There are very significant capital expenditure projects currently under construction across the Dublin skyline and nationwide. The sectors behind these projects include the data centre, renewable energy, student accommodation, hotel sectors along with commercial development. Growth in the commercial development sphere continues to be associated with foreign direct investment.



CAPITAL INVESTMENT / PROJECT FINANCING

The decision of the Government to bring forward the mid-term review of the Capital Plan to early 2017 was very much welcomed by the construction industry. Unfortunately, it may be closer to Q2 2017 before we see clarity on the individual projects underpinning this commitment to capital spend. This Capital Plan, published in 2015, sets out a six year framework for infrastructural investment in Ireland out to 2021. Capital investment in Ireland’s critical infrastructure is key given its importance for driving growth and employment in the Irish economy. The Government’s commitment to spend up to €47 bn on key infrastructure is significant. In addition, the presence of the European Investment Bank in Dublin is a good indication of commitment to funding. These kinds of measures will reduce costs for businesses in Ireland and guarantee the supply of vital services to them. One way of delivering these measures is through the government’s public private partnership programme. We have already seen the re-emergence of the PPP model in Ireland in the last 12 months with the closing of the first primary care PPP in the summer of 2016.

I see the industry as being very vibrant at the moment and I do not see that slowing down in the short term. Ireland is a very attractive place from which to do business, and there are a huge number of international clients who have invested heavily here already and want to expand.



LAW FIRM MATHESON APPOINTS 12 NEW PARTNERS WITH SPECIALIST KNOWLEDGE IN HIGH-GROWTH SECTORS OF IRISH ECONOMY

Top Irish legal talent: 12 new partner appointments at Matheson reflect demand for advice in both traditional and emerging, disruptive fields in a post-Brexit world. Partner promotions-round marks the firm's largest in over a decade.

50% of new promotions female, with six new female partners appointed Matheson, the leading Irish law firm, has appointed 12 new partners in its largest partner promotions round in over a decade. These partners are leaders in their respective fields, and work with clients in key sectors of the Irish economy in which the firm expects to see growth including: Tax, Regulation, Compliance, M&A,

Lending, FinTech, Data Privacy, Cyber Security, MedTech, Commercial Real Estate, and Energy and Infrastructure.

Commenting on the appointments, Michael Jackson, Managing Partner at Matheson, said: "I am delighted to announce the appointment of our 12 new partners at Matheson, our largest promotions round in over ten years. We are committed to investing in talent and also to ensuring that Ireland remains positioned to support and attract companies and institutions looking to access European markets. These partners have exceptional skills across important growth areas in the Irish economy post-Brexit, and have demonstrated unrelenting drive to deliver outstanding results for our clients."

"We are in a period of unprecedented change. Internationally

Photo: (L-R) Leonie Dunne, Donal O'Donovan, Laura Gleeson, Madeline McDonnell, Brian McCloskey, Michael Jackson, Barry O'Connor, Kevin Smith, Stuart Kennedy, Emma Doherty, Claire McLoughlin, Karen Reynolds and Matthew Broadstock.

significant political and economic events, such as Brexit, present new opportunities and challenges for Ireland – and for our domestic and international companies operating here. Our 12 new partners at Matheson demonstrate the exceptionally high standard of legal talent which Ireland offers companies and institutions seeking to navigate the challenges and opportunities presented by Brexit. They are also reflective of the ongoing demand we are experiencing for high quality advice from lawyers who are immersed in their industry sectors", noted Mr Jackson.

The 12 new Matheson partners and their practice areas are:

- Matthew Broadstock (Tax)
- Emma Doherty (Corporate International Business)
- Leonie Dunne (Commercial Real Estate)
- Laura Gleeson (Banking and Financial Services)
- Stuart Kennedy (Asset Finance)
- Brian McCloskey (Corporate M&A)
- Madeline McDonnell (Corporate M&A)
- Claire McLoughlin (Commercial Litigation and Dispute Resolution)
- Barry O'Connor (Asset Management and Investment Funds)
- Donal O'Donovan (Banking)
- Karen Reynolds (Commercial Litigation and Dispute Resolution)
- Kevin Smith (Tax)